

# DAILY REPORT

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## PRC INTERNATIONAL AFFAIRS

### GENERAL

RENMIN RIBAO Views U.S., European Relations [15 Jun]	A 1
CHINA DAILY on Progress in Disarmament Attitudes [16 Jun]	A 2
PRC Official Addresses WHO Regional Seminar	A 4

### UNITED STATES

Washington TIMES Accused of 'Two Chinas' Plot	B 1
XINHUA Notes U.S. International Currency Moves	B 2

### SOVIET UNION

TASS 'Slandering' of DK at UN Session Decried [RENMIN RIBAO 14 Jun]	C 1
USSR, Other Athletes Arrive for Track Meet	C 1

### NORTHEAST ASIA

Geng Biao, O Chin-u Speak at DPKK Banquet	D 1
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### SOUTHEAST ASIA & PACIFIC

Deng Xiaoping Meets Hong Kong, Macao Personages	E 1
RENMIN RIBAO on Dry Season Fighting in Kampuchea [4 Jun]	E 1
Imelda Marcos Concludes Visit, Departs for Home	E 3
Antarctic Resources Consultative Meeting Opens	E 3

### WESTERN EUROPE

Huang Hua Continues Meetings With FRG Officials	G 1
President Carstens	G 1
Foreign Minister Genscher	G 1
Friendship Delegation Received in Paris	G 2
Long-Term Trade Agreement Signed With Norway	G 2

### MIDDLE EAST & AFRICA

Government Condemns Israel's Invasion of Lebanon	I 1
AFP: Foreign Students March Against Israel, U.S.	I 1

## PRC NATIONAL AFFAIRS

RENMIN RIBAO Reports Fatal Shenyang Rail Crash	K 1
Article Views Planned Enterprise Transformation	K 1
[RENMIN RIBAO 11 Jun]	
Improvement of Product Quality Stressed	K 3
Job Plans Revealed for 1982 College Graduates	K 4
Leaders Attend Li Yimin's Memorial Meeting	K 5
CPPCC Meeting Discusses Draft Constitution	K 6
Social Scientists Discuss Draft Constitution	K 7
RENMIN RIBAO Views Nanhai County's Experience	K 8
HONGQI Carries Wang Shoudao Report on Guangdong	K 10
[No 11, 1 Jun]	
RENMIN RIBAO Views Formation of Auditing Bodies [8 Jun]	K 17
Briefs: Winter Wheat Variety	K 20

## PRC REGIONAL AFFAIRS

## EAST REGION

Jiangxi People's Congress Committee Meets	O 1
Public Health Work in Shandong County Described	O 1
Tie Ying Attends Zhejiang CPPCC Session	O 2

## CENTRAL-SOUTH REGION

Guangdong: CPPCC Reviews Intellectuals Policy	P 1
Guangdong Leader on Economic Cooperation	P 1
Guangdong Teachers Complain of Low Remuneration	P 2

## SOUTHWEST REGION

Xizang Acts To Improve Nationality Relations	Q 1
Yunnan People's Congress Meeting Opens 10 Jun	Q 2

## NORTH REGION

HEBEI RIBAO Urges Increase in Industrial Growth [4 Jun]	R 1
Shanxi Authorities Help Enterprises Stop Losses	R 2
[SHANXI RIBAO 29 May]	
Briefs: Nei Monggol Rural Economy; Nei Monggol Industrial Achievements	R 4

## NORTHEAST REGION

Heilongjiang Holds Meeting for College Graduates	S 1
Heilongjiang Foreign Trade Transactions Booming	S 1
Jilin Fifth People's Congress Opens Session	S 1
Deputy Governor's Work Report	S 2
Report on Economic Figures	S 4
Socialist Modernization Needs	S 4
Report on Economic Crime	S 5
Second Day's Plenum	S 6
Jilin CCP Official Dies; Leaders Attend Funeral	S 7
Briefs: Heilongjiang Intellectual Policy Investigation	S 7

## NORTHWEST REGION

Correction to Report on Ningxia Living Standard  
Shaanxi Report on Ideological Education  
[SHAANXI RIBAO 4 Jun]  
Xinjiang's Dawamat on Production Corps Revival

T 1  
T 1  
T 3

## TAIWAN

Sun Yun-hsuan Discusses Reunification Issue  
[CHINA POST 11 Jun]

V 1

## HONG KONG MEDIA ON CHINA

Taiwan Premier's Reunification Remarks Examined  
[HSIN WAN PAO 15 Jun]

W 1

RENMIN RIBAO VIEWS U.S., EUROPEAN RELATIONS

HK151050 Beijing RENMIN RIBAO in Chinese 15 Jun 82 p 7

[Article by Zhai Xiangqian [5049 6272 0051]: "From Versailles to Bonn"]

[Text] Summary: The acute contradictions between Europe and the United States have been mitigated for the time being and the solidarity of the Western allies has been upheld as a result of certain concessions made by both sides at the seven-nation summit held in Versailles and at the NATO summit. However, the question has not yet been basically resolved. End of summary.

After more than 2 days of meetings at Versailles, the seven-nation summit of Western countries approved a joint statement and an appendix: a pledge regarding international currencies. Economic squabbles are the major reasons for the contradictions between Europe and the United States at present. The contradictions of high U.S. interest rates and international trade problems were particularly acute prior to the Versailles meeting. However, at this meeting, Western Europe, Canada and Japan all adopted the attitude of exercising greater restraint. Before the meeting, Japan had also voluntarily adopted such measures as lowering its tariff rate and opening up its market. Therefore, a compromise was finally reached at this meeting and the joint statement merely expressed the need for "pursuing a cautious monetary policy" and "controlling budget deficits" in order to strive for a lower interest rate, "resisting the pressure of protectionism" and "trying to further open up the market."

The third day after the closing of the Versailles meeting, the heads of state again rushed to Bonn for the 16-nation NATO summit, and discussed the question of East-West relations. After the first day of meetings they approved the "Bonn Declaration" and two appendixes and expressed the need for "strengthening defense preparations and military capabilities" to defend the North Atlantic area, and at the same time, to seek a "safe and reliable East-West relationship aimed at achieving genuine detente" and "use positive dialogue to strengthen peace." The emphasis on the "dual" strategy of attaching equal importance to defense and dialogue shows that the United States has readjusted its policy toward the Soviet Union and has made concessions on its stand toward the West European countries.

From the Versailles meeting to the Bonn meeting, certain interesting new changes have taken place in U.S.-European relations. Because both the United States and the West European countries have made compromises on certain controversial major economic and strategic questions, the once tense U.S.-European relations have been mitigated to a certain extent, and factors favorable to safeguarding the unity of the Western alliance have appeared.

The reason for the appearance of these subtle changes is very complicated. They are the products of the turbulent international situation in recent years and the daily deepening of the political and economic crisis in the capitalist world.

First, following the sinking of the West into an inextricable economic crisis, the contradictions between Europe and the United States have daily become more acute. The policy of reducing taxes and financial deficits adopted by the United States has caused bank interest rates to increase to as high as 17 percent. This has strengthened the U.S. dollar, triggered an outflow of capital from Western Europe, affected the stability of the European monetary system and hampered the economic recovery of Western Europe. The West European countries have long threatened to form "a united front" against the United States. The international trade war between the United States, Europe and Japan has also intensified the friction, and a senior official of the EEC said that since the war, there has never been a trade war of global nature so near to being touched off as that at present between the United States and Europe.



Second, over the past 16 months since assuming power, the Reagan administration has advocated greatly strengthening defense and implemented a hardline policy of resisting the Soviet Union. This has caused uneasiness among the West European countries. Proceeding from their strategic positions and political and economic interests, West European countries hold that while maintaining their military strength to a certain extent, they should continue to carry on a dialogue with the Soviet Union and implement a moderate policy toward it. Over the past year, the United States has bitterly quarreled with Europe on strategy toward the Soviet Union and East-West political and economic relations. There is a widening rift in the Western alliance.

Third, the peace campaign in the West is surging forward. Due to the increasingly strained East-West relations, demonstrations have been staged frequently in various West European countries aimed at opposing the deployment of U.S. nuclear guided missiles in West Europe and calling for disarmament and other demands. The anti-nuclear campaign in the United States is also developing. All this has forced the United States to consider the feelings of the masses.

Fourth, the Soviet Union is strengthening its peace offensive and has sowed discord between the United States and Europe. The United States has increasingly realized that the deepening of the contradictions between the United States and West Europe will inevitably tilt the strategic foundation of the Western alliance toward the Soviet Union. West European countries realize that in the face of the Soviet threat of expansion, it is impossible for them to abandon the protective umbrella of the United States. Therefore, the West European countries are unwilling to excessively strain their relations with the United States.

In this situation, it is necessary for both the United States and Europe to compromise and make concessions so as to iron out their differences and keep in step. The United States has raised the flag for talks and disarmament to cater to the stand of West Europe, cope with the peace campaign in West Europe and the United States itself and create conditions for bringing the views of the United States and Europe a step closer. At the recent Versailles and Bonn meetings, the United States and Europe reached a further compromise on economic problems and strategy toward the Soviet Union.

Although the two summit meetings of the Western countries adopted a united stand, the fundamental differences between the United States and Europe have not been and cannot be solved. They have not reached agreement on the problem of the U.S. high interest rates -- the focal point of the economic contradictions between the United States and Europe. The United States has not made any specific promise to lower the interest rates. With regard to the problems of strategy and moderate policy, the basic contradictions between the United States and Europe still exist. The United States has paid more attention to strengthening actual strength and forcing the Soviet Union to make concessions through trade restriction and arms "relaxation" and solving the present economic crisis.

Public opinion in the West holds that although the two summit meetings reached certain agreements, whether the countries concerned would "abide by these agreements can only be proved by time." Although the relations between Europe and the United States have been temporarily relaxed because of these two meetings, their contradictions still exist and have not been completely solved. In the future they will continue to occur, at times in an acute form and at other times in a relaxed form.

#### CHINA DAILY ON PROGRESS IN DISARMAMENT ATTITUDES

HK160057 Beijing CHINA DAILY in English 16 Jun 82 p 4

[By CHINA DAILY commentator]

[Text] The second special session of the United Nations General Assembly on disarmament, scheduled to last for a month, began meeting last week. Delegate after delegate took the rostrum stressing the urgency in checking the arms race between the two superpowers.

Meanwhile, a mammoth peace demonstration -- hundreds of thousands of people from many parts of the globe -- converged Saturday on UN Headquarters in New York. And many more people elsewhere in the world have been demonstrating to underscore the worldwide demand for disarmament. World peace and security is very much on the minds of the people everywhere.

Two salient signs of progress mark the present session in comparison with the first four years ago. One is that a growing number of people have pinpointed the Soviet Union and the United States as the two culprits responsible for the feverish arms race jeopardizing world peace.

#### Superpowers

According to some sources, there are about 50,000 nuclear warheads in the world today with a total explosive power of no less than one million atom bombs as big as the one that levelled Hiroshima. The combined nuclear arsenals of both superpowers account for 97 percent of the world's warheads, and their military expenditures make up three-fifths of the world's total. First and foremost, therefore, the world struggle for disarmament should be to get the two superpowers to reduce their armaments.

The other noticeable change is the increasing understanding that disarmament should not solely involve nuclear weapons, but should also include conventional weapons. It is becoming more and more evident that while vying with each other in stockpiling nuclear warheads, the two superpowers attach greater importance to conventional war. More than three-fourths of their military expenditures go for conventional weaponry. It was with conventional units and weapons that the Soviet Union opted for in its military intervention in other countries and invasion and occupation of Afghanistan.

Since the very purpose of disarmament is to oppose world war and maintain world peace, any disarmament talks are useless if they ignore the reality of the current international situation, i.e., aggression, wars and violations of peace.

Many formulae for achieving disarmament have been suggested and different approaches for solving the problem have been put forward. China's proposal presented to the UN by Foreign Minister Huang Hua on June 11 deserves attention.

The basic ideas of the proposal are first, that all nuclear powers should reach agreement committing themselves not to use nuclear weapons. Prior to this, these powers should pledge unconditionally not to use nuclear weapons against nonnuclear countries and regions, nor would they be the first to use them against one another in any circumstances. Second, the Soviet Union and the United States should stop the testing, improvement and production of nuclear weapons and each should reduce its nuclear stockpile and carrier-missiles by 50 percent. Following this, all other nuclear powers should do likewise and reduce their nuclear arsenals according to proportions agreed upon.

Finally, conventional weapon arsenals should also be reduced and weapons of mass destruction prohibited. Every country should pledge not to use conventional military forces for armed intervention, aggression and occupation of other countries.

#### Tortuous

The world has learned over the years that the road to disarmament is long and tortuous and one shouldn't be so naive as to believe that world disarmament can be achieved overnight. It is sad to recall that the first UN resolution ever adopted was the one against nuclear war. Yet, 37 years later, instead of seeing any actual reduction of arms, the world watches an ever fiercer arms race between the two superpowers and an ever growing nuclear and conventional arsenal.

The Chinese proposal may not be perfect. But it is practical under present condition and it is realistic in the sense that it represents a minimum requirement to start the ball rolling. Nevertheless, it would still mean persistent struggle on the part of the Third World and other peace-loving nations to make the superpowers do something concrete rather than paying lip service by high-sounding rhetoric and diplomatic jugglery.

PRC OFFICIAL ADDRESSES WHO REGIONAL SEMINAR

OW141252 Beijing XINHUA in English 1236 GMT 14 Jun 82

[Text] Jinan, June 14 (XINHUA) -- Experience in primary health care in Yexian, a slightly better than average county in China, has been introduced by Guo Ziheng, vice-minister of public health, in an address at an inter-regional seminar on primary health care held in Yexian today.

He listed the experience in six aspects, namely, the government stress on the rural areas in medical and health work; the setting up of grassroot public health organizations; self-reliance including the dividing of the finances between the state and one collective, and the training of large numbers of barefoot doctors; flexible methods used according to local conditions; urban support to the rural areas; and finally mass line.

Yexian, being a typical Chinese county, is an epitome of rural China's basic approaches to developing primary health care, he noted. He said he was happy that China could provide an example on which experiences could be drawn and shortcomings corrected.

The seminar opened here yesterday and will be closed on June 26. It was sponsored by World Health Organization (WHO), United Nations Development Program (UNDP), United Nations Children's Fund (UNICEF) and World Bank, with support of Chinese Ministry of Public Health.

Health ministers and planning and senior health administrators from 15 developing countries in six WHO regions of Africa, Americas, Eastern Mediterranean, Europe, Southeast Asia and Western Pacific, as well as officials from four sponsors, participated. It will explore some aspects of China's experience in primary health care with particular attention to the three-level network of health care system, people's involvement, health manpower development and financing.

Conclusions of general applicability to situations of participating countries and to those of other developing countries will be drawn.

Today's meeting listened to a special message of greeting from Dr. H. Mahler, director general of WHO, in which he hoped more people will benefit from the seminar. The meeting was chaired by Dr. D. Tajada-de-Rivero, assistant director-general of World Health Organization. He said all countries of the world, developing as well as industrialized, have decided unanimously to concentrate their efforts for at least the next 20 years on achieving health for all, and that primary health care is the key to achieving this social goal. He recognized the Chinese experience as "an actual practice".

WASHINGTON TIMES ACCUSED OF 'TWO CHINAS' PLOT

OW151850 Beijing XINHUA in English 1830 GMT 15 Jun 82

[ "'Times' of the Nineteenth Century -- Commentary by Correspondent Peng Di" --  
XINHUA headline ]

[Text] Washington, June 14 (XINHUA) -- A new newspaper called Washington TIMES has been on sale recently on news stands in this capital. Although a month has hardly past since its publication, it has carried a number of editorials and articles, going all-out to oppose and insult China in its plot to create "two Chinas" and interfere in China's internal affairs.

In its June 9 editorial, this paper openly called Taiwan a "loyal ally" of the United States and "a bastion for defending our interests in the Pacific." In another commentary the same day, the paper went so far as to regard Taiwan as a U.S. "aircraft carrier" and oppose "handing over" it to China, saying this "would amount to giving up the equivalent of several aircraft carriers."

It is common knowledge that there is only one China in the world and Taiwan is part of Chinese territory. This stand is shared by all Chinese including the people and authorities in Taiwan. It is also universally accepted by the governments of more than 100 countries of the world including the U.S. Government. However, the Washington TIMES, defying world opinion and openly displaying hostility to the Chinese people, has tried to dismember the territory of China at will, looking on Taiwan Province as their possession and their base. Such arrogance cannot but arouse the indignation of all patriotic Chinese.

Not only does the newspaper oppose China, it is also against the American people's friendship for the Chinese people and U.S. businessmen doing business with mainland China. It even directed its attacks on the successive U.S. administrations in power since the publication of the "Shanghai communique". In addition, the paper carried articles written by its executive editor and others on June 9 and 10, assailing and slandering the "Shanghai communique" and other documents signed by the Chinese and U.S. Governments. They even satirized the recent letters of President Ronald Reagan to Chinese leaders. The articles also abused by name the U.S. officials concerned from former President Jimmy Carter to "the Kissinger-style diplomatists in the Reagan State Department," and from Secretary of State Alexander Haig to national security advisor in the White House Judge Clark. They asserted that these officials' policy on China is nothing but "kowtowing to Peking" and "subservient to Peking." Their attacks came with such a momentum as if they would stop at nothing until all of the documents signed by both governments were torn up and the United States fell out with China.

The Washington TIMES appears to be dizzy with the gun-boat policy of the 19th century. In the eyes of its editors, things can be regarded as normal only when the U.S. superpower can do what it pleases, encroaching upon China's sovereignty and interfering in China's internal affairs at will, and if it makes contacts with China in accordance with the norms governing international relations, that would be a concession and kowtowing to China.

This paper is also trying to spread the idea that other countries cannot survive without the superpowers. They made a great fuss about U.S. aid to China, as if China had no way to modernize its economy, technology and national defense without credits and aid from the United States. Such remarks sound rather grating on the ear of the people of China and other developing countries.



But on the other hand, they can also help the Chinese people to acquire a better understanding of the point that China can have a bright future only by relying on its own efforts, getting united and working hard. China will continue to apply an open policy towards foreign countries. But this policy is based on self-reliance, on our own diligence and arduous struggle.

In a word, the paper has gone to the extreme right. When you read the beginning, you immediately know the conclusion at the end of the article. Such articles are really not worth reading. But since they have appeared on news stands everywhere and are spreading a rotten smell of the 19th century, it is only proper for us to write a few words to refute the rotten ideas and hold down their evil influence.

#### XINHUA NOTES U.S. INTERNATIONAL CURRENCY MOVES

OW152032 Beijing XINHUA in English 1858 GMT 15 Jun 82

[Text] Washington, June 14 (XINHUA) -- The United States Monday intervened in international currency exchange markets for the second time since the administration of U.S. President Ronald Reagan took office, the U.S. Treasury announced Monday.

Under-Secretary for the Treasury Beryl Sprinkel announced the decision, which he said was made because of significant movements in European currencies and a surge of the dollar following a readjustment of European exchange rates last weekend. Sprinkel said the dollar Monday rose 5 percent against the French franc, 2 percent against the Belgian franc, 1.5 percent against the Swiss franc, 1.2 percent against the West German mark, some 1 percent against the Japanese yen and 1 percent against the Dutch guilder. The dollar's movement against these currencies was extreme, Sprinkel said.

Secretary of the Treasury Donald Regan said Monday the realignment, of which details were not released, was needed. "Our aim is to calm the market" and the move did not represent a change in policy, he said.

The action came only eight days after seven industrialized nations agreed during a summit in Versailles to the use of intervention, when necessary, in the international currency exchange markets to counter disorderliness. The first intervention by the administration occurred after an assassination attempt on Reagan in March 1981.

However, Western monetary sources said that it is difficult to stabilize money markets if the United States does not lower its high interest rates.

TASS 'SLANDERING' OF DK AT UN SESSION DECRIED

HK140737 Beijing RENMIN RIBAO in Chinese 14 Jun 82 p 6

[Unattributed report: "TASS Shouts Abuse in Public"]

[Text] The Soviet Union has again been shamed into anger by its inability to prevent Democratic Kampuchea from attending a UN meeting -- the special session on disarmament. Venting Moscow's spleen, TASS has loudly abused China and the great majority of countries for "shielding" "criminals."

TASS published a commentary slandering Democratic Kampuchean participation in this session, in its lofty status as a UN member, as "an insult to the Kampuchean people and the world public."

What made TASS particularly "angry" was that "there are frequently people" "continually raising a so-called 'Kampuchea issue,' and making the forum of the United Nations available to criminals. In this 'Kampuchea issue' conspiracy, the most shocking thing is its moral aspect -- it really is the greatest shamelessness that they should despicably shield executioners in this way."

TASS then proceeded to attack "Beijing's stand in protecting the executioners." At the same time, it went so far as to declare that "it is impossible for the consciences of honest men to be at ease now that the forums of the United Nations and other international meetings are made available to the slaughterers and executioners of the Kampuchean people." This was a further cudgeling of all states that uphold justice which have consistently supported Democratic Kampuchea in maintaining its legitimate UN seat. However, TASS has failed to see that its move has in fact proved how isolated the Soviet Union is in the international community.

USSR, OTHER ATHLETES ARRIVE FOR TRACK MEET

OW151620 Beijing XINHUA in English 1558 GMT 15 Jun 82

[Text] Beijing, June 15 (XINHUA) -- Participants from nine foreign countries that will compete in the 1982 Beijing international track and field invitational meet are all in Beijing with the arrival of the Japanese team this evening. The teams are from Trinidad and Tobago, India, Romania, Thailand, the Soviet Union, Czechoslovakia, the German Democratic Republic, Finland and Japan.

The meet, with 17 men's events and 14 women's events, will be at the Beijing workers' stadium. The Chinese Track and Field Association has selected 25 men and 23 women athletes to participate in the meet. Athletes of some countries who arrived here earlier have been training at the stadium.



GENGBIAO, O CHIN-U SPEAK AT DPRK BANQUET

OW151326 Beijing XINHUA in English 1249 GMT 15 Jun 82

[Text] Pyongyang, June 14 (XINHUA) -- The Military Commission of the Central Committee of the Workers Party of Korea gave a banquet here this evening in honor of the visiting military delegation of the People's Republic of China headed by Geng Biao, member of the Political Bureau of the Central Committee of the Communist Party of China, member of the Standing Committee of the Military Commission of the CCP Central Committee, state councillor and minister of national defense. [Beijing XINHUA Domestic Service in Chinese at 1739 GMT on 14 June carries a report on this subject in which the preceding reads: "...Republic of China with Geng Biao as its head and Liang Biye as its deputy head." (omitting Geng Biao's titles and providing new elements)]

O Chin-u, member of the Political Bureau of the Central Committee of the Workers' Party and minister of the People's Armed Forces of Korea, said in a toast: "The Chinese military delegation's visit to our country will further promote the growing friendship between Korea and China."

He stressed: "The friendship between Korea and China is a militant friendship cemented in blood in the flames of arduous revolutionary struggles, an unbreakable revolutionary friendship consolidated in severe tests of history." He said: "We will never forget that during the difficult years of war, the Chinese People's Volunteers, together with the Korean People's Army, fought in the same trench, shared weal and woe and shed their blood in defense of every inch of Korean land. We will carry on their lofty internationalist spirit from generation to generation."

Geng Biao said in his speech: "The Chinese people and the People's Liberation Army deeply treasure the continued consolidation and development of the friendship between China and Korea, and are willing to work unrelentingly toward this end. In the future, as in the past, our people and army will closely cooperate with the Korean people and People's Army, support and coordinate with each other and march forward shoulder to shoulder in the struggle for socialist construction in and reunification of their countries in unity with the Third World against the imperialists and hegemonists."

Geng Biao highly praised the achievements gained by the Korean People's Army under the leadership of its great leader Kim Il-song. He said, "The U.S. troops are still hanging on to South Korea and the Chon Tu-hwan clique, under the instigation and backing of the United States, has further intensified its action to set all kinds of obstacles on the road to North-South dialogue and peaceful reunification of Korea. This will reveal more clearly the true features of the U.S. hegemonists and their plot to create 'two Koreas'. The Chinese people and the Chinese People's Liberation Army resolutely support the Korean people's sacred cause of peaceful and independent reunification of the fatherland and strongly demand that the U.S. withdraw all its troops and equipment from South Korea. We are convinced that the beautiful 3,000-li land will surely be unified in the end and the 50 million people will surely be reunited."

Among those present at the banquet were Korean leading members So chol, O Kuk-yol and Paek Hak-nim.

Earlier today, the Chinese military delegation had called on Gen O Chin-u.

[Beijing XINHUA Domestic Service renders the last two sentences as follows:

[Among those present at the banquet were Korean leading members So Chol, O Kuk-yol and Paek Had-min; He Zhangming, charge d'affairs ad interim of the Chinese Embassy in Korea; Ye Changqu, outgoing Chinese People's Volunteers member of the Korea-China side of the Military Armistice Commission; and Wang Jian, new Chinese People's Volunteers member of the Korea-China side of the Military Armistice Commission.]

[Earlier today, the delegation's head Geng Biao and all its members called on Gen O Chin-u. The two sides held talks in a cordial and friendly atmosphere.]

DENG XIAOPING MEETS HONG KONG, MACAO PERSONAGES

OW151214 Beijing XINHUA in English 1207 GMT 15 Jun 82

[Text] Beijing, Jun 15 (XINHUA) -- Deng Xiaoping, vice-chairman of the Central Committee of the Chinese Communist Party, met with some of the public figures from Hong Kong and Macao at the Great Hall of the People here this morning.

Among those present at the meeting were Fei Yi-ming, Wong Kwan-cheng and Tong Ping-tat. [Beijing XINHUA Domestic Service in Chinese at 1258 GMT on 15 June carries a report on this subject which adds the names Li Ziyong, Li Xiawen, Yang Guang, Liang Bei, Chen Fuli, Chen Hong, Xu Simin, Su Wuzi and Wu Kangmin.] Also present were Liao Chengzhi, vice-chairman of the Standing Committee of the National People's Congress; and Qi Feng, deputy director of the Hong Kong branch of the XINHUA NEWS AGENCY.

RENMIN RIBAO ON DRY SEASON\* FIGHTING IN KAMPUCHEA

HK120816 Beijing RENMIN RIBAO in Chinese 4 Jun 82 p 7

[Report by RENMIN RIBAO reporter Wang Rongjia [3769 2837 0036] and XINHUA reporter Yang Mu [2799 2606]: "The Dry Season Battle in Sisophon Area Is of Great Significance -- Showing That the Vietnamese Troops Invading Kampuchea Cannot Reverse the Trend of Their Sliding Downhill"]

[Text] Bangkok, 1 Jun -- A campaign launched by the Vietnamese invading troops after 3 months of preparations has ended in their defeat after 3 months of fierce fighting. Thus, the intruding troops, suffering numerous casualties, had to retreat from the battlefield along the same paths they had advanced when they started the campaign. This is a brief description of the "great mopping-up" operation which the Vietnamese invading troops launched against the Democratic Kampuchean Army and people in the Sisophon region to the south of the Highway No 5 during the last dry season (from November 1981 to April this year).

The Sisophon region, which includes Phnom Malai Mountain, Phnom Chakrei Mountain and Phnom (Balongtale) [1572 2597 1044 04412] Mountain, was the key target of the four major "mopping-up" operations launched by the Vietnamese troops in the last dry season. The Vietnamese deployed in the campaign an army made up of 5 divisions consisting of more than 10,000 soldiers, nearly 40 tanks, more than 100 cannons, and airplanes, gas shells and a large number of mines. The operations were begun on 14 January this year. Divided into three battle groups, the Vietnamese made a surprise assault on the Democratic Kampuchean rear base and headed for the Kampuchean-Thai border. At that time, they seemed to be in reach of achieving their long-desired strategic goal of driving the Democratic Kampuchean troops in that region into the long and narrow area along the Kampuchean-Thai border and eliminating them at one stroke. Some international media also predicted then that the Democratic Kampuchean forces would face a crushing defeat. However, by smashing the four major offensives of the Vietnamese invading troops and extensively carry out guerrilla warfare, the heroic Democratic Kampuchean Army and people have now regained the initiative. On the other hand, the Vietnamese troops, who bore down menacingly on the Democratic Kampuchean Army and people at the very beginning, nastily retreated in defeat, having sustained numerous casualties with 3,000 soldiers killed or injured, and 19 tanks and a number of military vehicles destroyed. This is really a heavy blow to the morale of the Vietnamese troops.

The Vietnamese troops had the superiority over their rivals in terms of military strength, equipment, means of transport and so on. They had also changed their tactics. Then why did they still lose the battles? The main reasons were:

First of all, the morale and the real combat strength of the Vietnamese troops were declining daily. The tactic of large-scale troop movements can hardly work in tropical forests, since the fighting is carried out between individual soldiers or groups of soldiers who are separated from each other at a distance of around 20 meters. Therefore, fighting in tropical forests needs more courage and wits -- those who fear death always lose the upper hand and are defeated. Let us take the 5th Division which is a main division of the Vietnamese troops, for example. This division used to be engaged in the "mopping-up" operations in the Sisophon area every year. But the morale of its troops has gone from bad to worse. In the dry season this year, when occupying the "shihe" [4258 8109 stone river Chinese] village which is situated 8 kilometers to the south of Phnom Makheun Mountain, a battalion of this division dared not go out to fight at night. Even in daytime, they dared not come out before carefully probing the situation. From 5 to 7 March this year, when fierce fighting was going on between the Vietnamese troops and the Democratic Kampuchean forces in the (Da Si Da) [6671 2448 6671] Mountain area, a Vietnamese commander ordered via walkie-talkie his subordinates to move forward; the subordinate military officer on the other end of the line answered: "There are thorns ahead, our fighters do not want to move!" "Thorns" is the code word for mines. It can be obviously seen from this example how low the morale of the Vietnamese troops was.

Moreover, within the Vietnamese troops, soldiers from the north Vietnam always bully those from the south. Therefore, their internal contradiction is becoming more and more acute, and this has led to a situation that soldiers do not obey orders and regular troops do not coordinate with local troops. This shortcoming of the Vietnamese troops was exposed even more clearly in the recent dry season offensive.

In the second place, the Vietnamese goal was too ambitious to be realized as their strength was insufficient. Advancing in three groups over a primitive forest area of 3,000 square kilometers, the Vietnamese troops had to garrison some forces at several strongholds along the way. This greatly dispersed their forces. Therefore, only 3,000 soldiers or more were actually engaged in a main offensive for which more than 10,000 soldiers were mobilized. As the Vietnamese could press-gang civilians to repair the paths in forests which were destroyed by Democratic Kampuchean Guerrillas, they were forced to send some of their soldiers to do the job. So, the Democratic Kampuchean National Army was able to concentrate its strength on dealing with the dispersed forces of the enemy and cutting off the latter's retreat, thus menacing the enemy effectively. For this reason, the Vietnamese troops' superiority over the Democratic Kampuchean forces in terms of strength was offset.

In the third place, the Vietnamese had some weaknesses, both in their strategy and tactics, which they could not overcome. They attempted to wipe out the effectiveness of the Democratic Kampuchean forces in the Sisophon area within a relatively short period. However, as the latter extensively carried out guerrilla warfare, the Vietnamese were trapped there for 3 months -- from 17 January to 13 March. They tried to realize their strategic goal of a quick, decisive battle by using the tactic of attacking key targets. Nevertheless, they encountered strong counterattacks from the Democratic Kampuchean forces which adopted the tactics of guerrilla warfare, mine warfare and a protracted war of attrition. So their strategy of a quick, decisive battle failed, while their tactic of carrying out mopping-up operations against key target areas was defeated because their troops were separated from their logistic bases and their military strength was insufficient. It was under such circumstances that the Vietnamese troops were forced to retreat. It is absolutely untrue that they retreated ahead of schedule simply because of the early onset of the rainy season.

There is no doubt that the Vietnamese can change their strategy and tactics. Nevertheless, they can by no means reverse the trend of their sliding downhill. The campaign in the Sisophon area is a mirror which reflected the situation of the Vietnamese troops which have fallen into dire straits since they invaded Kampuchea. What one can see in this mirror is not a victory garland but the abyss of failure.

IMELDA MARCOS CONCLUDES VISIT, DEPARTS FOR HOME

OW111624 Beijing XINHUA in English 1616 GMT 11 Jun 82

[Text] Shanghai, June 11 (XINHUA) -- Imelda Romualdez Marcos, wife of Philippine President Ferdinand Marcos, minister of human settlements and governor of Metro Manila, left for home this afternoon at the end of her China visit.

Seeing her off were Wang Dachan, Shanghai mayor, Han Nianlong, adviser to the Foreign Ministry, his wife Wang Zhen, Mo Yanzhong, designated Chinese ambassador to the Philippines, and Fortunato U. Abat, Philippine ambassador to China.

Mrs. Marcos said that she found China politically stable and its people united. "The Chinese people are lucky since you have rich material resources and good leadership," she said. "With good leadership it is possible to make use of the material and human resources, bring the people to prosperity and improve their living standards."

She said: "The Philippines and China are friends and good neighbors. I am pleased to see the progress the Chinese people have made. I will remain a friend of the Chinese people forever."

ANTARCTIC RESOURCES CONSULTATIVE MEETING OPENS

OW141746 Beijing XINHUA in English 1602 GMT 14 Jun 82

[Text] Wellington, June 14 (XINHUA) -- A special consultative meeting of the Antarctic treaty nations opened here today to explore ways of exploiting Antarctic mineral resources without touching on the delicate issue of sovereignty over the Antarctic Continent.

Representatives of Argentina, Australia, Belgium, Britain, Chile, France, Japan, New Zealand, Norway, Poland, South Africa, the Soviet Union, the United States and West Germany attended the meeting.

Addressing the delegations, New Zealand Minister of Foreign Affairs Warren E. Cooper said the consultative parties would draw up precise, effective and enforceable rules for protecting environment and would find ways of bridging the conflicting positions on sovereignty.

Cooper said a commission to be established on Antarctic minerals should not prejudice the interests of all mankind in Antarctic.

Mineral resources are not dealt with in the Antarctic treaty. The 14 treaty nations reportedly hope to establish as soon as possible a commission to regulate exploration and exploitation of Antarctic minerals.

The consultative meeting, not open to public, will end June 25.



HUANG HUA CONTINUES MEETINGS WITH FRG OFFICIALS

President Carstens

OW151906 Beijing XINHUA in English 1856 GMT 15 Jun 82

[Text] Bonn, June 15 (XINHUA) -- President of the Federal Republic of Germany Karl Carstens met the visiting Chinese State Councillor and Foreign Minister Huang Hua and had a warm and friendly conversation with him at the presidential office here today.

Huang Hua said that the Chinese Government and people were looking forward to Carstens' visit to China next October on the occasion of the 10th anniversary of the establishment of diplomatic relations of the two countries. Carstens said that he accepted the invitation with pleasure in the hope to understand China's ancient civilization and its present-day achievements.

Foreign Minister Genscher

OW160828 Beijing XINHUA in English 0728 GMT 16 Jun 82

[Text] Bonn, June 15 (XINHUA) -- Huang Hua, state councillor and foreign minister of China, and Hans-Dietrich Genscher, vice chancellor and foreign minister of the Federal Republic of Germany, held talks today and yesterday on a wide range of international and bilateral issues including Kampuchea, Afghanistan and the Middle East.

In their two rounds of talks, the two foreign ministers reviewed the drastic changes in the international situation since Genscher's visit to China last October, and exchanged views on the strengthening of bilateral relations.

The two sides noted with satisfaction the steadily developing relations between the two countries.

Speaking at a dinner given in honor of Huang Hua this evening, the FRG foreign minister demanded the withdrawal of all foreign troops from Kampuchea and Afghanistan, strongly condemned the Israeli invasion of Lebanon and urged all parties concerned to find a solution that safeguards the sovereignty and integrity of Lebanon.

Referring to the recent NATO summit in Bonn, Genscher appealed to the Soviets to give serious consideration to the proposal of the West on disarmament and arms control. He pointed out that the cooperation among the non-aligned countries of the Third World is as important factor of stability.

He said China's participation in the Cancun summit and its political and economic commitments are conducive to world stability. He expressed satisfaction with the friendly bilateral relations and the cooperation in science and technology and hoped that this cooperation between the two countries will continue on the basis of mutual benefit and equality.

Huang Hua pointed out in his speech that the current international situation has become still more tense and turbulent, with new problems piling on outstanding old ones and the hegemonists stepping up their expansionist deployments for strategic superiority.

He said: "Although the Federal Republic of Germany is in Europe and China in Asia, we both are concerned about peace and security and have common interests in this respect."

"We frequently exchange views on the international situation and on the further development of our friendly cooperation, this is not only in the interests of our two countries, but also in the interests of world peace and stability," Huang Hua said.

On bilateral relations, he said the direct contacts between the leaders of the two countries and the increasing visits exchanged between professional delegations constitute an important indication of the flourishing relations between China and the FRG. He also expressed satisfaction with the economic, scientific and technological cooperation and the growing exchanges in culture, education and sports between the two countries.

Huang Hua stressed that China will continue steadfastly to oppose hegemonism and safeguard world peace, and give prominence to cooperation with the FRG. He said he is convinced that the relations of cooperation between the two countries have lasting and bright prospects.

#### FRIENDSHIP DELEGATION RECEIVED IN PARIS

OW150937 Beijing XINHUA in English 0805 GMT 15 Jun 82

[Text] Paris, June 14 (XINHUA) -- The France-China Friendship Society gave a grand reception today in honor of the delegation of the Chinese People's Association for Friendship With Foreign Countries which is here on a visit to mark the 30th anniversary of the establishment of the society.

Among the 200 guests present were the society's Executive Chairman Prof. Louis Bazin, Vice-President Mrs Helene Marchisio, members of the society's presidium, and the noted film workers Jovis Ivens and Marceline Loridan. Chinese Ambassador Yao Guang was also present.

Speaking at the reception, Prof. Bazin said in France, there are sincere and devoted friends of China who are working for the promotion of friendship between the French and Chinese peoples by every means at their disposal and through various forms of expression.

In reply, Xie Bangding, head of the Chinese delegation and vice-president of the Chinese friendship association, thanked the French society for what it did over the past years to promote understanding and friendship between the Chinese and French peoples. The current visit, he said, left the Chinese delegation with a deep impression of the extensive and profound mass basis for the promotion of friendship between the Chinese and French peoples and of the broad prospects of such an undertaking. He presented a silk banner, a documentary film and slides on behalf of his association to the French society.

The Chinese friendship delegation arrived in France on May 26. It has toured Paris, Cote d'Azur, Bordeaux and Lille.

#### LONG-TERM TRADE AGREEMENT SIGNED WITH NORWAY

OW160859 Beijing XINHUA in English 0750 GMT 16 Jun 82

[Text] Stockholm, June 16 (XINHUA) -- A long-term trade agreement between China and Norway was officially signed in Oslo Tuesday afternoon, according to a report from that city.

The agreement was signed by Zheng Tuobin, first vice-minister of foreign economic relations and trade, and Arne Skauge, Norwegian minister of trade and shipping on behalf of their respective governments. Chinese Ambassador to Norway Ding Guoyu was present at the signing ceremony. Zheng Tuobin and his party arrived in Oslo on June 14 for an official visit to Norway and will leave for home on June 19.



GOVERNMENT CONDEMNS ISRAEL'S INVASION OF LEBANON

OW151700 Beijing XINHUA in English 1649 GMT 15 Jun 82

[Text] Beijing, Jun 15 (XINHUA) -- The Chinese Government today issued a statement strongly condemning Israel's invasion of Lebanon. The statement reads as follows:

On 4 June Israel flagrantly launched a large-scale military invasion into Lebanon and has since forcibly occupied vast tracts of territory in central and southern Lebanon, bombed and attacked Lebanese cities and towns and the Palestinian refugee camps, thus causing bloodshed and loss of lives to tens of thousands of innocent people. At present, Israel is continuing to expand its acts of aggression under the camouflage of declaring a cease-fire and is pressing towards the urban area of Beirut, the capital of Lebanon.

The Israeli authorities, in brazen violation of the principles of international law, are carrying out naked aggression against a sovereign Arab state in a premeditated attempt to wipe out the resistance forces of the Palestinian people, thus committing another crime against the Arab people and seriously worsening the situation in the Middle East. The Chinese Government and people express utmost indignation at and strongly condemn this Israeli act of aggression.

At a time when Israel's frenzied invasion of Lebanon is being condemned by the people of various countries unanimously, the U.S. Government has openly used its veto power in the United Nations to obstruct the Security Council from adopting a draft resolution condemning Israel for its refusal to withdraw its troops. The United States should be condemned for abetting and supporting Israel in its aggression.

The Chinese Government has always held that Israel must withdraw from the Arab territories occupied since 1967, that the Palestinian people must regain their national rights, including the right to return to their homeland, the right to self-determination and the right to establish a state; and that there must be a comprehensive and just settlement of the Middle East question. We firmly support the Lebanese, Palestinian and Syrian Armed Forces and people in their just struggle to resist Israeli aggression and safeguard their national rights. Israel must abide by the relevant resolutions of the U.N. Security Council, stop its aggression against Lebanon immediately and withdraw all its troops from Lebanon unconditionally.

We sincerely hope that the Arab countries and people will unite closely in a common struggle against the enemy. We call on all the peace-loving and justice-upholding countries and people to join their efforts to stop Israel's aggression, support the just cause of the Arab people and maintain peace in the Middle East.

AFP: FOREIGN STUDENTS MARCH AGAINST ISRAEL, U.S.

OW150808 Hong Kong AFP in English 0734 GMT 15 Jun 82

[Text] Beijing, 15 Jun (AFP) -- Several hundred foreign students walked in procession through the streets of Beijing today in protest against the entry of Israeli troops into Lebanon, shouting anti-Israeli and anti-American slogans in English, Chinese and Arabic.

The demonstration, in which some 400 people took part, did not give rise to any incidents. A strong police contingent watched it closely from beginning to end, and helped by the organisers, prevented an Arab student from throwing himself at the closed gates of the U.S. Embassy.

Demonstrations are forbidden in China, but the organisers had received permission to march in turn to the U.S. Embassy, the Lebanese Embassy, the United Nations office, and the office of the Palestine Liberation Organisation (PLO).

In the last two years several similar demonstrations by foreign students have taken place, including one in front of the Soviet Embassy the day after the Soviet intervention in Afghanistan and, last year, in front of the U.S. consulate in Shanghai over the Middle East issue.

The American diplomatic mission, in the part of Beijing reserved for embassies, was surrounded by a strong cordon of soldiers, policemen and plainclothesmen policemen with walkie talkies.

The students handed over two petitions to an embassy official, one signed by students from about 50 countries and the other by Arab students, protesting against "American-Zionist connivance in the continuing strategy of annihilation of the Palestinian and Lebanese people".

The petitions proclaimed the solidarity of the foreign students with their Palestinian colleagues studying in Chinese universities, who have just left China in response to a PLO appeal ordering them to join those fighting the Israelis.

Marching behind the PLO flag and a picture of central Palestine Leader Yasir 'Arafat, to cries of "Yes, yes PLO. Down, down Israel. Down, down U.S.A.", they went next to the Lebanese Embassy where a delegation handed over the text of the petitions to Charge d'Affaires Wajib A.Samat.

The Lebanese diplomat used the opportunity to affirm: "The United States are responsible for the invasion because they support Israel".

The demonstration then moved on to the U.N. office, where they also handed over their petitions to a colleague of the representative Nessim Shallon.

The demonstration ended at the PLO office where participants were welcomed by the office head at-Tayyib 'Abd ar-Rahim Mahmud, together with the Libyan Ambassador Abadalla A'. Al-Harari and the Yemen Arab Republic Ambassador Muhammad al-Wadidi.

Mr. Mahmud made a speech denouncing the Israelis' "barbarous and fascist aggression", adding "we shall do in Beirut what the struggle against the Nazi aggressor did in Paris and Stalingrad".

The demonstration attracted a number of curious Chinese spectators, but when at one point some of them got too close to the demonstration, police officers with truncheons at the ready immediately set up a cordon to stop them getting through.

RENMIN RIBAO REPORTS FATAL SHENYANG RAIL CRASH

OW160759 Beijing XINHUA in English 0745 GMT 16 Jun 82

[Text] Beijing, June 16 (XINHUA) -- Three passengers died and 147 others, including four crew members were injured in a recent railway accident, about 43 kilometers outside the northeast China industrial city of Shenyang, today's PEOPLE'S DAILY reports. The No. 193 passenger express from Jinan, capital of Shandong Province, en route to Jiamusi in Heilongjiang Province jumped the tracks at Xinglongdian station at 16:05 hours May 28. Extensive damage was done to a locomotive, four passenger cars and a caboose, as well as to a second locomotive, five other cars, another wagon, some tracks and switches, involving a total estimated loss of around 1.7 million yuan. Traffic on the line was cut for almost 20 hours.

Subsequent investigations revealed that the direct cause of the accident was dereliction of duty, that the rail maintenance workers involved violated labor disciplines and operational regulations, the paper says.

Shortly after the incident, the paper adds, leaders of the railway administrations in Jinzhou and Shengyang rushed to the spot to organize rescue efforts and supervise repair work. A suit has already been filed against those who are directly responsible for the accident. In a directive given June 15 on a report submitted by the Ministry of Railways on the incident, the State Council urged the ministry to mobilize all railway workers to do everything possible to prevent future accidents on China's railways. It said that the new leadership of the ministry was right when it asked for disciplinary action. However, it added, no disciplinary action would be taken against it in view of the fact that it had taken over the job for merely a few weeks.

ARTICLE VIEWS PLANNED ENTERPRISE TRANSFORMATION

HK160345 Beijing RENMIN RIBAO in Chinese 11 Jun 82 p 5

[Article by Liu Lixin [0491 4409 2946] and Tian Chunsheng [3944 2797 3932]: "Strengthen Planned Guidance Over Renewal and Transformation of Enterprises"]

[Text] By calling for stronger planned guidance over enterprise renewal and transformation, we do not mean that renewal and transformation programs must all be included in state plans. Nor do we mean that depreciation funds and the deductions from enterprise profits must be budgeted and used in a concentrated manner. Instead, under unified plans, their use must be marked with areas of emphasis, must be systematic and planned and not be free and casual.

As far as renewal and transformation funds are concerned, ways of drawing on and using such funds for renewal and transformation are not balanced. First, the depreciation funds drawn on by enterprises must always reach a certain amount before they can be applied to transformation. They assume the form of surplus funds before they are used. Second, for newly commissioned enterprises (or projects), the amount that can be drawn on depreciation funds is bigger than actual expenditures, and is thus excessive. On the other hand, those old enterprises which have used up the amount available from depreciation funds and which now need money, do not have enough to meet their needs. Third, the expenditure for trades and enterprises selected by the state for transformation exceeds the amount available from depreciation funds, while those not in urgent need of transformation find the amount available in excess of their expenditures. These imbalances should be redressed through plans. Such means as financial management and banking should be used to organize funds to meet the needs of all parties concerned.

For many years, apart from the depreciation funds drawn upon by our enterprises for renewal and transformation, the state has also rendered support in the form of financial allocations and bank loans. These allocations and loans are actually also depreciation funds. This represents one way of using funds according to priority, as adopted by the socialist state.

At present, apart from the depreciation funds, there are sources of money for the renewal and transformation of enterprises, such as the production development funds as part of deductions from profits, borrowed foreign capital, converted consumption funds in some cases, and so forth. It is not a bad but a good thing to have many sources of money. But we must make overall arrangements, seek a balance where material resources are conferred, and use such funds in a planned and guided manner. Like capital construction projects, renewal and transformation, especially where key transformation projects for major and medium-sized enterprises are concerned, also call for the study of possibilities, surveying, design and construction. We must first be assured of the necessary manpower, material and financial resources. After these projects are put into operation, we must seek a balance where the supply of energy, raw materials and transportation and the sale of products are concerned. Even for simple equipment installed again or additionally bought, we must arrange production schedules and achieve an appropriate balance in all respects. Therefore, renewal and transformation should be combined with new construction and expansion, so that the whole scale of investment can be brought in line with national resources. In no way can we repeat the previous mistake of excluding renewal and transformation from investment plans and the scale of construction, thus losing control of the front and suffering a drop in economic returns. In light of the needs of the national economy, we must bear the whole situation in mind and distinguish between urgent and less urgent projects. We must take the improvement of socioeconomic yields as a basis and make overall arrangements.

As far as the readjustment of the economic structure is concerned, renewal and transformation should go hand in hand with the readjustment of the structure in a well-coordinated manner. For example, the Shanghai automobile works is a factory in our country chiefly producing sedans. It had designed a new sedan that consumed 30 percent less fuel than the existing version and 47 percent less than the jeep. Several years ago, the need for renewal and transformation was urgently felt. But the enterprise had no money. This called for overall arrangements and a solution in a planned manner. Also, in seeking renewal and transformation, Ningbo municipality first reorganized enterprises. It closed down and converted 68 enterprises (one-fourth of the total) whose products did not sell well, whose consumption of energy and raw materials was high and whose economic yields were poor. On this basis, overall arrangements for rejuvenation and transformation projects were made. Money was concentrated on projects where it was most needed. Relatively satisfactory investment results were achieved. This approach should be promoted.

The composition of investment has a great effect on the economic structure. An irrational economic structure is a problem that calls for gradual solution through readjusting the targets of investment in a planned manner. At present, the state's main targets of rejuvenation and transformation are: reduced consumption, especially that of energy; the development of a variety of products; the development of raw and other materials in short supply; the improvement of railroads, communications, posts and telecommunications; the strengthened technical transformation of the machine-building industry, and the proper handling of the business of comprehensive utilization. The proper handling of these priority items plays a very important role in improving economic returns and readjusting and developing the national economy. It will of course not do to just let various enterprises act spontaneously in solving such problems. Subject to the limitations of their role, enterprises often fail to take a look at the whole situation and to avoid losses arising from blind construction and duplicate construction.



Renewal and transformation also involve a problem of construction as part of a series of projects, or construction in a synchronized manner. Renewal and transformation can mean expanding the scale of production through increasing the productivity of fixed assets. This calls for solving the problem of linking up renewal and transformation construction projects. At present, the problem of construction being taken up not as part of a whole series and not in a synchronized manner is quite universal. The effort to increase the television set production capacity in the past 2 years is a case in point. Some areas had produced the main parts for televisions. But other components were put into production only half a year later. No arrangements had been made for the production of raw materials required for the components. This made it necessary to draw on imported components. Some other areas also arranged for the glass casing production line to go into operation 3 years later than the kinescope production line. Such problems have mainly arisen from poor planning and improper attention to linking things up. These problems have also existed between trades. At present, the management system in our country is irrational. There is a lack of organic links between areas and between trades. Failure to strengthen planned guidance over renewal and transformation will naturally give rise to lots of problems. Three petrochemical industry enterprises in Hunan had their petroleum industry enterprises in Hunan had their petroleum and chemical sections separately supervised by petroleum and chemical industry departments, which each take their own course seeking to "fill up the gaps" and "carry out technical transformation." As a result, the oil and gas resources have not been put to the fullest use, causing a big waste.

The renewal and transformation of enterprises must also be linked up with, and is inseparable from, urban construction and urban transformation. There are many lessons in this respect. Through seeking renewal and transformation to develop production, Shanghai Municipality has scored great achievements. But due to lack of unified planning and arrangements, it has often gotten involved in the transformation of a single production link, causing imbalances in various other fields. As far as a department in a given period is concerned, production has gone up. But the imbalance has become ever more serious.

To strengthen planned guidance over renewal and transformation is mainly to strengthen planned guidance as a whole. The state has its unified renewal and transformation plans, a region has its regional plans, trade has its own plans, and an enterprise also has its own plans. We must enable the plans in all fields to link up organically and bring enthusiasm in all fields into full play. Concerning funds, we should allow the state special banks in charge of investment in fixed assets to manage renewal and transformation funds in a unified manner. Various funds to be devoted to renewal and transformation should be kept in the special banks, which will make overall arrangements for their use and exercise proper supervision. Enterprises must first draw on their own funds. Only if they do not have enough will an appropriation or loan be granted to them in light of the actual conditions of the project involved. This not only helps the thorough realization of the renewal and transformation plans but also allows the use of the economic lever of banks to help enterprises enliven the economy. This is a very important link in the effort to strengthen the management of renewal and transformation plans.

#### IMPROVEMENT OF PRODUCT QUALITY STRESSED

OW160645 Beijing Domestic Service in Mandarin 1200 GMT 15 Jun 82

[Station commentary: "Improve Quality; Lower Production Costs"]

[Text] A leading comrade of the State Council recently pointed out that the most important task for the enterprises is to improve the quality of products and lower production costs. It is impossible to improve economic results if quality is not given priority.

In the last several years, China has steadily improved the quality of most of its products. However, there are also some products whose quality has deteriorated.

According to statistics of the departments concerned, the quality of one-fourth of China's products produced in the first quarter of 1982 is not as good as that of products produced in the first quarter of 1981. Leading cadres at all levels of the industrial front should seriously ensure good product quality in accordance with the suggestions made by the leading comrades of the State Council.

An important cause for unstable or worsening quality of products is that some departments and enterprises concentrate on quantity alone and overlook quality. In particular, the output of marketable goods is increasing rapidly, but insufficient attention is being paid to their quality. There are some poorly managed enterprises in which the rules and regulations need improvement, and the new workers are of low skill level. In order to improve the quality of products, we must make great efforts to change this situation.

First of all, the enterprises should firmly establish the notion of quality first. The quality of products concerns whether an enterprise can survive and develop itself and whether its products have competitive power. It also concerns whether the enterprise is seriously holding itself responsible to the people. Therefore, improving the quality of products is the key to improving the economic results of an enterprise. If an enterprise has grasped this key, it will have high hopes and achieve general progress, because the improvement of the quality of products will lower the rejection rate, thus reducing the production costs and further improving economic results.

Secondly, we should actively and firmly exercise overall quality control, launch campaigns for products of superior quality and strive to develop new products.

Thirdly, we should establish a strict system of rewards and punishment. The enterprises and individuals that produce products of good quality should be commended and rewarded. Those who cause major quality defects, neglect duty or create difficulties for or even beat quality control inspectors should be duly dealt with. Those who violate the law should be punished according to the law.

The question concerning the quality of products is a question concerning all departments. The economic departments at all levels should put it above everything else and work in a down-to-earth way to find and solve problems and make comparatively big improvements in China's products.

#### JOB PLANS REVEALED FOR 1982 COLLEGE GRADUATES

OW151308 Beijing XINHUA in English 1220 GMT 15 Jun 82

[Text] Beijing, June 15 (XINHUA) -- Jobs will be offered to more than 311,000 college graduates and 6,200 postgraduates due to finish school this year, according to authorities concerned. The number of graduates is the highest since the founding of new China in 1949.

According to the State Planning Commission, the Ministry of Education and the Ministry of Labor and Personnel, various central and local departments had asked for 700,000 students, more than double the actual number of graduates.

Especially in demand are students majoring in economics, law, English language, geology, mining, energy, mechanical engineering, construction, light and textile industries, grain, transport and communications. Priority is given to the development of these departments in China's current period of readjustment in the national economy.

Because of economic readjustment in certain fields, there will be a surplus of graduates in a small number of specialties. However, those graduates would be assigned jobs close to their specialties or administrative work and kept in reserve for future development.

To accelerate rural development, graduates from agricultural, forestry, medical and normal colleges should be mainly sent to work in counties and rural people's communes.



It is said that necessary measures will be taken to encourage more graduates to work in the remote and mountainous areas, usually inhabited by minority nationalities.

Chinese colleges are divided into three categories -- those run by local authorities, by the Education Ministry and by other ministries under the State Council. Job assignments are decided in relation to the needs of the three divisions.

#### LEADERS ATTEND LI YIMIN'S MEMORIAL MEETING

OW150547 Beijing XINHUA Domestic Service in Chinese 1548 GMT 14 Jun 82

[Text] Beijing, 14 Jun (XINHUA) -- Li Yimin [2621 6654 3046], fine CCP member, member of the Fifth CPPCC National Committee and adviser to the Political Department of the PLA General Staff Department, passed away in Beijing on 5 June 1982 as a result of illness which failed to respond to medical treatment. He was 78 years old. A memorial meeting for Comrade Li Yimin was held today at the auditorium of the Babaoshan cemetery for revolutionaries.

Comrade Hu Yaobang paid his last respects to Li Yimin's remains and presented a wreath.

Wreaths were also sent by Ye Jianying, Deng Xiaoping, Chen Yun, Nie Rongzhen, Xu Shiyou, Chen Muhua, Su Yu and He Changgong and the Military Commission of the CCP Central Committee, the CPPCC National Committee, the various PLA general departments and the Zhejiang Provincial CCP Committee.

More than 600 people attended the memorial meeting including Yang Shangkun, Wei Guoqing, Yang Dezhi, Wang Ping, Li Zhimin, Zhang Zhen, Wu Xiuquan, He Zhengwen, Liu Huaqing, Chi Haotian, Gan Weiha, Huang Yukun, Yan Jinsheng, Zhu Yunqian, Shi Jinqian, Hua Nan and representatives of cadres and fighters of organs under the General Staff Department and Comrade Li Yimin's friends.

Yang Dezhi presided over the memorial meeting; Zhang Zhen delivered the memorial speech. Zhang Zhen said: Comrade Li Yimin joined the CCP in September 1925. He was a veteran party member who engaged in the patriotic student movement and revolutionary armed activities during the early period. He was an active participant in the first revolutionary civil war and the Nanchang uprising. He was arrested and thrown into prison by the Kuomintang reactionary clique in the spring of 1928. Under dangerous conditions of enemy intimidation and inducement, cruel torture, beatings and life imprisonment, he remained filled with revolutionary optimism, convinced of communism, faithful and unyielding, displaying the sublime revolutionary integrity of a communist. During the war of resistance against Japan and the liberation war, he held positions as director of the political department of the third branch of the Chinese People's Anti-Japanese Military and Political College, director of the Propaganda Department of the Political Department under the Hebei-Rehe-Liaoning Military District, and member and concurrently secretary general of the standing committee of the financial and economic planning committee under the Northeast People's Government; he did his share in the liberation cause of the people throughout the country. After the founding of new China, he held posts as deputy director of the political department of the public security units, director of the Political Department directly under the Military Commission, chief editor of JIEFANGJUN BAO and director of the Cultural Department of the General Political Department and made important contributions in propaganda and cultural work in our army. During the 10 years of chaos, Li Yimin showed profound hatred toward the perverse acts of Lin Biao and the gang of four; he sympathized with those comrades who fell victim and supported and helped them in many ways. He resolutely supported the line, principles and policies laid down since the 3d Plenary Session of the 11th CCP Central Committee and the resolution of the 6th plenary session, upheld the four fundamental principles and earnestly fulfilled the various tasks assigned by the party. His was a revolutionary and militant life.

CPPCC MEETING DISCUSSES DRAFT CONSTITUTION

OW151946 Beijing XINHUA in English 1600 GMT 15 Jun 82

[Text] Beijing, June 15 (XINHUA) -- Leaders of democratic parties gave their support today to the draft of revised constitution of the People's Republic of China at a C.P.P.C.C. National Committee meeting.

Ye Duiyi, standing committee member of the Central Committee of the China Democratic League, said the draft's preamble, stipulates: "The Chinese People's Political Consultative Conference, as an important organizational form of the united front, has played an important historical role in the past, and in the future will continue to play its important role in the political and social life of the country, in the activities for friendship with foreign countries, in socialist modernization and in struggle to uphold national solidarity and unity."

Ye, 70, relating his own experience, reviewed the historical role of the C.P.P.C.C. He participated in drawing up the C.P.P.C.C. Common Program (China's provisional constitution) adopted by the first session of the C.P.P.C.C. in September 1949, the first Constitution in 1954 and the current draft of the revised constitution.

He said that during the initial period after new China was founded, the C.P.P.C.C. functioned as an organ of power in restoring the nationaleconomy and carrying out socialist transformation. After the First Session of the National People's Congress in 1954, the C.P.P.C.C. played a major role in uniting the people, encouraging all to work for realization of national targets and developing international activities, he said.

Sun Xiaocun, vice-chairman of the Central Committee of the China Democratic National Construction Association, said the role of the C.P.P.C.C. is to represent the people and its members include representatives of such groups as the Communist Party, democratic parties, non-party persons, people's organizations, minority nationalities and returned Overseas Chinese. He said: "The C.P.P.C.C. can play a distinctive role in political consultation. Since the founding of new China, the Communist Party and the people's government have correctly handled many complicated vital problems through political consultation."

Supervision is another task, Sun said. He said the C.P.P.C.C. is not an organ of state power and has no right to supervise the government, but it is a channel through which the people administer state affairs.

He said the C.P.P.C.C. supervises through criticism of and proposals on state affairs and by the enforcement of the constitution and laws.

Cai Xiao, standing committee member and deputy secretary-general of the C.P.P.C.C. National Committee, said the draft's preamble on the C.P.P.C.C. praises the practical activities of the C.P.P.C.C. during the past 33 years. He said the C.P.P.C.C. is playing a greater role in consulting and discussing state policies and principles, in political life and economic construction of the country. The Fifth C.P.P.C.C. National Committee has 2,554 members who represent 29 circles in the nation.

Cai, who is also chairman of the council of general office of the Taiwan Democratic Self-Government League, said the C.P.P.C.C. also played an important role in developing people's democracy and in contacting people of all walks of life. He said: "Over the past four years, its 15 working groups held 300 meetings collecting people's opinions and propagating state policies, and sent members to more than 20 provinces and municipalities to study the country's economic system, urban construction, education, relic protection, environmental protection, employment and the implementation of policies on united front work."

He said, since August 1978, over 47 million words and 4,000 pieces of historical accounts have been collected and about 3 million copies of such accounts and 380,000 copies of memoirs have been published.

The C.P.P.C.C. sent delegations to Yugoslavia, Romania, the United States, Japan and West Germany and received delegations from Yugoslavia, Romania and Jordan.

Qu Wu, vice-chairman of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang, said the draft points out: "In the long years of revolution and construction, an extensive united front has been formed, led by the Communist Party of China, participated in by various democratic parties and people's organizations and embracing all socialist working people, all patriots who support socialism and all patriots who stand for the reunification of the motherland. This united front will continue to become stronger and grow."

This is of historic significance, said Qu, who participated in the two cooperative efforts between the Kuomintang and Communist Party. He recalled the important role of the united front in the Chinese revolution. "The results of the two cooperative efforts showed that the united front is one of the three magic wands of the Chinese revolution," he said.

The first cooperative effort was during the first civil war, which overthrew the northern warlords and won victory for the northern expedition, and the second effort led to the defeat of the Japanese imperialists and victory in the anti-Japanese war, Qu said.

He said in the new historical period, the united front is still a magic wand of the Communist Party. Qu said he hoped that the Taiwan authorities will participate in the united front and, together with the people all over China, work for the reunification and the modernization of the country.

Today's meeting was presided over by Liu Lantao, vice-chairman of the C.P.P.C.C. National Committee.

#### SOCIAL SCIENTISTS DISCUSS DRAFT CONSTITUTION

OW151130 Beijing XINHUA Domestic Service in Chinese 1647 GMT 14 Jun 82

[Text] Beijing, 14 Jun (XINHUA) -- In discussing the draft revised constitution, some noted scholars of the Chinese Academy of Social Sciences pointed out: People throughout the country are now discussing the draft revised constitution. Social scientists should pay attention to studying the theoretical questions raised during the discussion in order to contribute to formulating a new, flawless constitution.

Experts attending a 12 June forum on the draft revised constitution stated their views on the draft. Liu Guoguang, deputy director of the Economics Institute, said: The draft revised constitution has raised many theoretical questions in the political, economic, legal, cultural and other spheres which call for us to do deepgoing research and scientifically expound and prove them under the guidance of Marxism-Leninism-Mao Zedong Thought.

Sun Shangqing, deputy director of the Economics Institute, held: In accordance with the draft revised constitution, our country's socialist economic structure is based on public ownership, and various economic sectors and various forms of economic management will coexist. This is of great significance in overcoming some deviations in the theoretical research of the preceding period such as the ideas of negating the leading role played by the state sector of the socialist economy and of being over-anxious in making the production brigade the basic accounting unit in collective ownership, as well as inaccurately appraising the role of the individual in urban and rural areas.



The draft revised constitution also stipulates that "the state plans the national economy on the basis of socialist public ownership." This gives expression to the most fundamental characteristic of the socialist economy which is conducive to overcoming the view of inappropriately stressing the role of market regulation in the study of economic theories.

Qian Junrui, director of the World Economics Institute, expounded our country's policy of opening to the world as prescribed by the draft revised constitution. He held: In modern times, it is historically inevitable that economic relations will develop between countries. Our policy of opening to the world is unquestionably correct. Although we will have to pay a price for this policy, it will serve the purpose of consolidating and developing our country's socialist economy. We implement the policy of opening to the world on the premise of independence, equality and mutual benefit. Under no circumstances will international capital be allowed to encroach on our country's sovereignty and violate its laws.

Linguistic and ethics experts discussed the importance of education in communist morality and culture as stressed in the draft revised constitution. In their speeches Lu Shuxiang, director of the Linguistics Institute, and Li Qi, deputy director of the Philosophy Institute, held: Education is necessary for building a socialist material civilization and it is indispensable for building socialist ethics. Superstitions which have occurred in some localities are a reflection of cultural backwardness and the ignorance of the masses. The draft revised constitution stipulates that the state promotes the planned development of education and that citizens have the right and obligation to receive an education. The draft also specifically provides that the basic principle of communist morality is to "promote the virtues of love for the motherland, the people, labor, science and socialism." This is absolutely necessary. It is of great significance for carrying on the struggle against the corrosive influence of capitalist ideas and for promoting communist consciousness and ethics among the people in the new situation in which contacts between our country and the capitalist world have been increasing day by day.

At the forum experts also expressed their opinions on establishing the socialist relations among all our nationalities and strengthening socialist democracy, the socialist legal system, the study of Marxism-Leninism-Mao Zedong Thought and the education of young people in patriotism as well as on the reform of the political system. They also made some suggestions on revising and complementing some articles of the draft revised constitution. Li Xin, Li Xueqin, Wen Jize, Wang Shuwen, Fei Xiaotong, Yan Jiaqi and Zhang Zhonglin also spoke at the forum. Mei Yi presided over the forum.

#### RENMIN RIBAO VIEWS NANHAI COUNTY'S EXPERIENCE

HK140319 Beijing RENMIN RIBAO in Chinese 10 Jun 82 p 1

[Commentator's article: "Advance Firmly as Nanhai County Has Done"]

[Text] In August last year, we published an editorial and a newsletter passing on the experience of Nanhai County, Guangdong, in enlivening the rural economy. Since then, this county, which has become prosperous earlier than most other counties in the country, has taken another step forward. Its total agricultural and industrial output value last year amounted to 1.26 billion yuan, an increase of 91 percent compared with 1978. Its contributions to the state continue to increase. The per-capita income of commune members from the collective was 374 yuan, an increase of 100 percent compared with 1978. If the per-capita income of about 100 yuan from household sideline production is included, the yearly per-capita income was nearly 500 yuan. How inspiring this is! The 3d Plenary Session of the 11th CCP Central Committee put forth that some localities with more favorable conditions should be allowed to speed up their production and become prosperous first. With several years' efforts, Nanhai County has become initially prosperous. There are a number of similar brigades, communes and counties with relatively favorable conditions that have also become prosperous one after another throughout the country.

As mentioned in documents on agriculture issued by the third plenary session, this is a good thing. They have played an exemplary role and have given great impetus to the whole country, encouraging millions of peasants to work harder and carry out meticulous management in order to shake off poverty as early as possible and to embark on the socialist road of common prosperity as Nanhai County has done.

One important experience of Nanhai County in boosting production is that it has followed the agricultural policy formulated at the third plenary session resolutely readjusted the internal structure of its agriculture by shifting monoculture of grain to an overall development of the rural economy -- firmly grasping grain production and the work of developing a diversified economy at the same time -- and made a breakthrough in developing production in an overall way. In the past 2 years, various localities have acquired a common understanding through practice. As far as giving guidance to production is concerned, in order to speed up agricultural development and to enliven the rural economy, we must do a good job in effecting two changes. One is to change the practice of grasping only grain production to developing a diversified economy. The other is to change the practice of paying attention only to water conservation to paying attention to water and soil conservation and to improving vegetation as well. This is an important experience acquired at a high cost. The leading comrades of Nanhai County have proceeded from reality and have concentrated their efforts on developing grain production and a diversified economy simultaneously. They have broken through the prohibited zone and have united the "leftist" rope which bound the peasants hand and foot. They have helped and also supported the production brigades and communes in tapping the potential of various resources such as land, manpower and materials. Hills, streams, grass, trees, flowers, birds, fish and worms have all been utilized. In the past few years, more production channels have been opened up, more and better ways for increasing production and income have been found, more material wealth has been created through hard work and the commodity economy has been rapidly developed. In the past few years, the country's agriculture, sideline production and industry have been developing at a relatively high speed.

Of course, the change from grasping only grain production to grasping the development of a diversified economy does not mean slackening the efforts for grain production. The moment the development of a diversified economy is put forth, some localities try to reduce the area for grain crops and to lower the procurement quota for grain. This shows that this change has not yet been correctly understood. The reason for changing the situation of grasping only grain production is not to weaken grain production but to rationally use the natural resources and manpower of respective localities, to open up new production channels and to make grain production and other branches of production develop together and promote each other. In the past 2 years, the diversified economy in Nanhai County has been greatly developed and its total grain output has also been increased year after year. This year, there are 500,000 mu of land for rice-planting which is the same as last year. The increase of grain production has provided prerequisites for extensively developing a diversified economy.

Many complicated problems are bound to occur in developing commodity production and enlivening the rural economy. What should be the correct attitude towards various new problems which emerge under new situations? Nanhai County has found solutions to them in its advancement. County leading cadres stay at a selected grassroots unit to make investigations, acquire firsthand material, sum up experiences in good time and strengthen ideological education among cadres and the masses. They pay attention to distinguishing right from wrong in work and drawing distinctions in accordance with the party's policy. They persist in what is correct and correct what is not in conformity with policies or decrees. In this way, they make the best use of the situation and guide the rural economic activities of the whole county along a path of healthy development. At present, there are some comrades who do not try to carry out careful investigation or analysis but resort to their old ways of "checking, blocking and struggle" which dampen the peasants' enthusiasm for production, and the rural economy which has just been enlivened is again turned into a pool of stagnant water. This practice does not enjoy popular support at all.

The thoroughgoing reforms carried out in our country's rural areas in the past few years are virtually a relatively major readjustment in the production relations. During this reform which involves millions of peasants, the situation of all the rural areas is favorable. The rural economy has begun to become lively. Although powerful leadership has not yet been formed in some localities, the reform there is still being carried on in an orderly manner and production is apparently increasing. This proves that this reform enjoys the full support of the peasants. During the reform, problems have also occurred in some localities. This is not strange at all. When problems occur in our advancement, we should not stand aside and make criticism. Nor should we be indifferent to them and abandon or slacken leadership. We should go among the masses and together with the masses, enthusiastically and carefully study the new situation, solve the new problems and guide the masses to resolutely make further progress in the direction of enlivening the rural economy. The gratifying achievements of Nanhai County indicate that China's agriculture is promising and has great potential. We should follow the example of the comrades in Nanhai, exert ourselves, strengthen our faith and take an even greater and better step forward in developing the rural economy.

HONGQI CARRIES WANG SHOUDAO REPORT ON GUANGDONG

HK151035 Beijing HONGQI in Chinese No 11, 1 Jun 82 pp 9-13

[Article by Wang Shoudao: "Grasp the Building of Material Civilization With One Hand and the Building of Spiritual Civilization With the Other"]

[Text] Editor's note: We commend this investigation report to the readers. With circumstances permitting, the veteran comrades pay visits and carry out investigations in the lower levels each year and meticulously compile written reports afterwards. It is a very good sign and should be encouraged in a big way. By so doing, first, they will be able to keep in close touch with the actual conditions, and better propagate and implement the principle, lines and policies of the CCP Central Committee; second, they will be able to discover certain problems and put forth suggestions -- this is the most practical advisory work; third, taking the lead in so doing, the veteran comrades pass on their valuable experience to the cadres in power and particularly, the younger cadres. [end editor's note]

This spring I carried out an investigation of factories and villages in the municipalities of Guangzhou, Shenzhen, Zhuhai, Zhongshan, Xinhui, Jiangmen, Foshan, Nanhai and Conghua. I held discussions with a number of responsible comrades of the province and the prefectures, municipalities and counties and also with rural cadres. I also visited a number of workers' and peasants' homes. I noticed that, in recent years, in the field of economic construction, Guangdong has achieved a faster rate of growth and higher economic returns. The political situation is also getting better and better. There have also been improvements in the party style, social climate, and public order.

Economic Construction Is Steadily Developing

In the past few years, Guangdong Province has seriously implemented the central authorities' guiding principle on further readjusting the national economy and their decision that Guangdong should practice a special policy and flexible measures in its external economic activities. Proceeding from Guangdong's actual situation, the province has handled relatively well the relationships between centralized control and enlivenment of the economy, between advance and retreat, between readjustment and restructuring, and between expansion of external economic activities and economic readjustment and development. As a result, steady development of the province's economy has been promoted.

1. Agricultural production is steadily developing. In promoting agricultural production, Guangdong Province has linked the functioning of the superiority of the collective economy to the mobilizing of the individual's initiative, by means of continuously perfecting the agricultural production responsibility system, and thus has added strong driving force to the development of the rural economy.



Under the guidance of the state plan, the province has readjusted its agricultural economic distribution according to the local conditions, and thus has changed the relatively unitary economic structure of the past. Comparatively remarkable development has been achieved in both the diversified economy and communes' and brigades' industrial and sideline production. For example: Vigorously promoting the diversified economy in the Zhu Jiang Delta under the circumstances that the rice growing area has been stabilized; reducing the grain procurement quota for mountainous areas and the border special zones, so as to push ahead with the development of forestry, forestry sideline production, the production of special local products and agricultural and sideline products for foreign trade such as vegetables, fish, poultry, and so on; linking grain production with sugarcane production so as to push ahead with the latter; and establishing a number of bases of commodity grain and bases of oil crops, fishery, forestry, animal husbandry, special local products, and so on, so as to gradually rationalize the internal production structure of agriculture. Last year relatively great development was recorded in industrial crops and diversification despite serious natural disasters such as floods and typhoons which caused a fall in grain output of 3 billion jin. Sugarcane output may have reached 12 million tons, an increase of more than 30 percent over the previous refining season; this was the biggest increase recorded since the founding of the state. Total value of the province's agricultural output rose by 3.3 percent over the previous year. Nanhai County scored outstanding achievements. Its total value of agriculture output in 1981 was 23.8 percent higher than in 1980. Despite a slight reduction in the grain and cocoon harvests due to natural disasters, forestry output value rose by 9.3 percent, animal husbandry by 3.3 percent, sideline production by 44 percent, and fishery production by 4.1 percent. The collective economy has developed rapidly, the political situation in the rural areas is more stable, and one of the best rural situation since the founding of the country has indeed emerged.

2. New progress was recorded in industrial production. As far as industrial production is concerned, we have readjusted the orientation of service, improved the product mix, enlarged the scope of service and realized a relatively fast speed of development in accordance with the characteristics that there are a large number of workshops in the province, the degree of flexibility is high, and that there are sufficient export facilities since our province neighbors Hong Kong and Macao, and in accordance with the market demand. As a result, development of light industry was accelerated and there was a certain growth in heavy industrial production. Last year total output value rose by 11.4 percent, with increases of 17 percent in light industry and 1.8 percent in heavy industry. Based on the experiences gained in Jiangmen, Qingyuan and other municipalities and counties where experiments on reform of the economic system have been actively and steadily carried out, Guangdong has pushed forward various forms of the economic responsibility, rights and interests, improve business and management and arouse the enthusiasm of the enterprises and the broad masses of workers. The economic returns of state-owned industry and communications enterprises in Foshan municipality previously were never very good. Profit per 100 yuan of output value was only some 5 yuan in 1979, lower than the average for the province, and also lower than the municipality's previous best level. Last year the Foshan Municipal CCP Committee vigorously popularized the experience of the Shiwan chemical industry ceramics plant in implementing the system of "four fixes and four guarantees" ("four fixes" means that the plant fixes the number of workers in the workshops, fixes equipment, fixes raw material supplies and fixes expenditure; "four guarantees" means that the workshops must guarantee quantity, quality, variety and profits). Internal economic activities among the enterprise units were carried out in accordance with estimated costs and the system of "free supply" was abolished. On completion of the task of "four guarantees" the workshops would be given a certain amount of money as a bonus. However, those workshops which were unable to complete the task of "four guarantees" would be fined in accordance with the regulations. Various other forms of the economic responsibility system were also practiced in the administrative offices. By so doing, the economic responsibility and economic interests of the internal units of the enterprises and the individual workers were made clear.

Thus, the staff and workers of the enterprises were encouraged to enthusiastically seek ways to increase production and economize expenses. As a result, distinctive economic results were obtained and large-scale increases of production and revenue were achieved. The municipality's industrial production quota was fulfilled 46 days ahead of schedule. Total value of industrial output showed an increase of 23.22 percent, while profits rose by 55.29 percent and profit turned over to the state increased by 14.4 percent. This was the highest rate throughout the province.

3. The province has actively developed external economic activities and speeded up the development of its domestic economy. The trial operation of special economic zones has not only directly provided favorable conditions for economic construction in the special zones themselves, but has also indirectly supported economic development in the interior, but has also indirectly supported economic development in the interior, stimulated joint undertakings with the interior, and expressed the complementary relationship between economic development in the special zones and the interior.

In the course of implementing its open-door policy, Guangdong has achieved three integrations. First, economic activities with foreign countries have been integrated with economic readjustment and now serve economic readjustment, thus enabling local industries to enjoy development in the course of the open-door policy and enabling their products to penetrate foreign markets and so bring their own superiority into play. Second, economic activities have been integrated with the technological transformation of enterprises and a number of enterprises have been equipped with advanced and suitable foreign technology. Third, economic activities have been integrated with the development of urban and rural public facilities. Through various channels, they have attracted foreign capital for use in education, culture, bridges, roads, and so forth. They have thus speeded up urban and rural construction. Furthermore, in cities in border regions, they have started up lawful border trade on a small scale. This has also definitely had a hand in increasing peasants' income, improving the lives of commune members and stabilizing public order in the border regions.

4. The markets are prosperous and lively and the standard of living of people in the urban and rural areas has improved. In the wake of the development of production and the increase of the circulation channels, the markets have grown more and more prosperous. Comparing 1981 with 1980, total volume of commodity retail sales rose by 15.9 percent, while purchasing power increased by 13.4 percent. There were ample supplies of clothing and utensils. Savings deposits of the urban and rural people increased by 45.7 percent over 1980, urban workers' wages rose somewhat, jobs were found for 400,000 during the year, and 5.1 million square meters of urban workers' housing were completed. Housing conditions improved to some extent.

The peasants' income from collective and domestic sideline occupation increased to a certain extent over last year. In the rural areas new housing construction by peasants can be seen everywhere; this is a major hallmark of the improving standard of living of peasants. In the rural areas in Nanhai County, there was an upsurge in building houses. In many places both the scale and standard of construction exceeded the previous records, and a situation in which "each household prepares the materials and each brigade is engaged with construction work" existed. According to incomplete statistics for the county, the rural areas of the whole county built over 16,000 houses last year, with a total area of over 1 million square meters. Over 90 percent of them were reinforced concrete structures. Many old villages have taken on a new look. Xiaolan commune in Zhongshan County built 3,502 new houses last year (1,627 houses were reconstructed), showing an increase of 1,966 houses over the preceding year. Peasants living in brick and tile-roofed houses accounted for 93 percent of the commune's total population. Many peasants in Nanhai County have developed from purchasing the "three old things" (bicycles, sewing machines, watches) to the "three new things" (television sets, radio-cassette players, electric fans). The peasants in Xiaolan commune in Zhongshan County owned 24,069 bicycles in 1981, showing an increase of 2,922 over the preceding year; 10,681 sewing machines, showing an increase of 2,415 over the preceding year; 1,810 television sets, an increase of 835 over the preceding year; 7,416 electric fans, an increase of 5,179 over the preceding year and 2,632 radio/cassette players, an increase of 1,193 over the preceding year.

Visiting the lower levels and seeing the improvement in the life of the broad masses, we are more confident of the future of our economic development.

#### The Building of Spiritual Civilization Has Yielded Results

In our socialist state, if socialist ideology fails to occupy a dominant position in the society, it is impossible to ensure a socialist orientation in building material and spiritual civilization. At present, it is necessary, by centering on the task of building spiritual civilization and in the light of practical problems in work and ideology, to strive for a decisive turn for the better in party work style, social mood and social order.

First, the problem of party work style occupies an important place in socialist spiritual civilization. Guangdong implements special policies and adopts flexible measures in its external economic activities, but it should by no means be exceptional in party work style and party discipline. The open-door foreign policy and relaxation of domestic policy also chiefly refers to economic policies. We should never relax party work style and party discipline, but should enforce them more strictly. It should be affirmed that the foundation of the party work style in Guangdong Province is good. The majority of party members and cadres are loyal to the cause of the party and the people, diligent and hardworking. There are plenty of cadres who are willing to serve the people wholeheartedly and who bend their backs to their tasks until their dying day; there are also plenty of cadres who are honest in performing their official duties and remain uncontaminated. However, owing to various complicated causes, both historical and practical, the problem of party work style has now become an outstanding problem that should be solved urgently. Due to the proximity to Guangdong of Hong Kong and Macao, the corrupt bourgeois ideology and lifestyle will definitely take advantage of the open-door policy to work their way in. In the economic sector, unhealthy tendencies and violations of the laws and discipline have been fairly serious. A considerable number of party members have committed economic errors. The proportion of economic cases in relation to the total number of criminal cases has risen. Furthermore, the amounts involved are generally quite big. Viewed from the nature of the problems, illegal activities such as speculation, profiteering, graft, embezzlement, smuggling and selling of contraband, and offering and accepting bribes are on the increase; acts in violation of financial discipline such as indiscriminate issuance of bonuses and loans, arbitrary increase of price and illicit distribution of public property as well as unhealthy tendencies such as making use of one's connections and influence have developed to some extent. What is worthy of attention is that the circumstances of some cases are serious and the methods employed are heinous. This reflects that some party members and cadres, and even leading cadres, have a prominent tendency to "think of everything in terms of money." Furthermore, some leading cadres quite obviously use their power for their own gains and seek privileges. Some leading cadres are seriously guilty of bureaucratism, are extremely irresponsible in their work and their revolutionary zeal is waning. In the rural areas, some party members participate in feudal superstitions, gambling, armed conflicts and other activities, and the situation is also quite serious. In view of the situation stated above, the Guangdong Provincial CCP Committee has mustered its strength and grasped the problem from within. With the power of a thunderbolt and the speed of lightning, it has resolutely carried out investigations and meted out punishments to those party members and cadres who have dared to flout the law and who openly take part in the smuggling and selling of contraband, graft, embezzlement, offering and accepting bribes and other violations of the law and discipline. It has spared no one, regardless of seniority. The provincial CCP committee has stipulated that CCP organizations at various levels should vigorously grasp party work style this year. It is necessary to mobilize the whole party to study again the "Guiding Principles For Inner-Party Political Life" and carry forward the party's three important work styles. It is necessary to vigorously praise good party members and cadres, expose typical examples of unhealthy party work style and deal with them seriously.



The three special zones of Zhenzhen, Zhuhai and Shantou have formulated regulations governing party and government cadres in the special zones so as to educate and check up on them. In Shenzhen, rectification of the party has been started by grasping typical cases of illegal building of houses and smuggling and selling of contraband and be dealing with them with great fanfare. This has hit out at the unhealthy trends and practices, caused far-reaching repercussions and brought about an improvement in the social mood.

Second, a problem that merits our serious attention in Guangdong is preserving a good social mood and preventing cadres and the masses from being contaminated and corrupted ideologically as a result of the open-door policy. The Guangdong Provincial CCP Committee has repeatedly and explicitly announced that: we should absorb as well as resist capitalist elements to a certain extent. With respect to funds and technology from Western capitalist countries, we should absorb them, but we should uphold proletarian spiritual civilization, maintain and carry forward the fine traditions of our nation and the proletariat and foster a new socialist mood. Since February last year, the "five stresses and four beauties" activities have been vigorously launched in Guangdong. In the past year, especially since the second half of last year, the building of spiritual civilization in Guangdong has yielded some results and social mood and social order has started to take a turn for the better. To counter the problems of "dirt, disorder and high cost" in municipal environment and sanitation and in prices, Guangzhou municipality launched last year a "three rectifications" drive (rectifying the environment and sanitation, social order and traffic, and market prices) and, by taking this as a breakthrough in building spiritual civilization, organized several big activities. At the same time, Guangzhou municipality launched extensive education in morality and in democratic and harmonious new family relationships along with activities such as promoting new wedding styles and "learning from Lei Feng and adopting new habits." At present, the appearance of the city's 25 main streets has started to change. Some guest houses which were criticized by foreign guests in the past for their poor service have, through the civility and decorum activities, improved their work to a considerable extent. The mood of unity and mutual help and of taking pleasure in helping others has also been initially revived and carried forward. Moving examples reflecting the spirit of "a family in trouble enjoys the support of 100 families" have emerged in many localities. Last year, the activities of "five stresses and four beauties" and "three loves" (love for the motherland, socialism and the collective) were vigorously launched in the three special zones of Shenzhen, Zhuhai and Shantou. At the same time, efforts were made to improve municipal environment and sanitation, traffic and order. The social appearance is now developing in a good direction. School education has an important position in building spiritual civilization. The special zones attach great importance to conducting positive education among youths in order to inspire their patriotic enthusiasm and guide them to study hard, engage in healthy and uplifting activities and develop in an all-round way, that is, to develop morally, intellectually and physically. The atmosphere and appearance of the middle and primary schools in Shenzhen are taking a gradual turn for the better. In Shenzhen's Futian junior middle school, there were only eight CYL members in April last year and the political atmosphere was weak. Since the launching of the "five stresses and four beauties" activities, many pupils have been keen on making progress politically and, by the end of last year, the school had succeeded in recruiting 71 CYL members. With the economic development in the special zones, the spiritual outlook of the people in the special zones is also changing. The youths are very keen on studying and urgently wish to study new knowledge and technology. More young workers have registered to take part in sparetime studies and studying diligently has become the order of the day.



The Guangming Overseas Chinese electronic factory in Shenzhen has proposed the "three resistings and three promotings" drive (resisting corrosion and influence by bourgeois ideas and promoting the style of being honest in performing one's official duties and of remaining uncontaminated; resisting the influence of the bourgeois practice of each trying to cheat or outwit the other and of benefiting oneself at the expense of others and promoting the style of being concerned for comrades and taking pleasure in helping others; resisting the influences of out-and-out bourgeois egoist ideas and promoting the style of safeguarding public property and abiding by social morality) and extensively and thoroughly conducted education in upholding the four basic principles and in socialism, patriotism and collectivism.

Third,, in strengthening the socialist legal system, improving social order and defending social order, Guangdong has done a lot of work. Since last year, the party and government organs at various levels have extensively launched the "three rectifications" drive. The public security and judicial departments have made a concerted effort in promptly and severely punishing various criminals such as counterrevolutionaries and murderers, arsonists, rapists, looters, traffickers in narcotics and ringleaders of criminal gangs who seriously endangered social order. With respect to various illegal organizations and publications, obscene books, paintings, tapes and videotapes, steps have been taken to resolutely ban them in accordance with the relevant regulations, laws and decrees of the state. Works of suppressing smuggling in the border and coastal areas has also been strengthened by mobilizing the masses to report or expose offenses to the authorities. A number of cases such as smuggling and selling of contraband, tax evasion and speculation have been proved through investigation. This has dealt a severe blow to economic criminal activities. By doing so we have succeeded in consolidating the people's democratic dictatorship and further removing various factors unfavorable to stability and unity. This has contributed to the relatively stable environment in life and work throughout the province and ensured the smooth progress of industrial and agricultural production and other work. There was a turn for the better in social security as a whole last year. The healthy tendency is in the ascendant and the unhealthy tendency is in the descendent. Good people and deeds related to the struggle against bad people and deeds have emerged in large numbers. The disorderly conditions such as "the neighbors closing their doors when a household is being robbed," "all people looking on with folded arms while another is being maltreated," and "good people are bullied while bad people are overweening" have changed. Last year the incidence of crime was 18 percent less than in 1980. This included a 55 percent decline in cases of robbery. However, owing to various reasons, especially to the proximity of Hong Kong and Macao to Guangdong and to its being situation in a border and coastal area, which results in an excessive number of transient people and in a relatively complicated situation, the social order as a whole has not taken a fundamental turn for the better. Various criminal activities such as robbery, theft, gambling and mercenary marriage still continue to occur. We should still make tremendous efforts in order to check the unhealthy tendencies.

#### Several Questions That Merit Attention

This visit to Guangdong was very fruitful. I and other comrades who traveled with me were glad to see fast economic development in Guangdong and a promising urban and rural political situation. While carrying out inspections and discussions on our way, we gathered the following opinions:

1. When the Central Committee decided to set up experimental special economic zones in Guangdong and Fujian Provinces, it was a brand-new undertaking. We are groping our way forward. We need to continuously sum up experiences and lessons in the course of practice. Whether they are experiences of success or lessons of error, as long as we clear-headedly recognize them, they will all be beneficial to our work. The Shenzhen-Shekou industrial zone has taken the initiative by setting up special zones and has reaped distinct results. The Shenzhen-Xili reservoir resort has its own rustic flavor.

The Zhuhai-Shijingshan mountain resort has set up a strict, scientific management system and has enlightened us much in our work. Certain of our units and organizations are overstaffed. There are more personnel than matters to be attended to. They are plagued by bureaucratism. Whenever they are confronted with work, they try to pass the buck. Efficiency is extremely low. Some people hold "iron ricebowls" and eat from a "big pot." Should they not learn from these good experiences to overcome the malpractices in their own work? Some comrades have adopted all along a negative, suspicious attitude toward the open-door policy and the experimentation with special zones. They think that the open-door policy has opened a back door for bourgeois ideology and has corrupted the party style and social climate. We are no longer in the period of remote antiquity. No country in the world can afford to keep itself to itself. During the feudal dynasties of the Ming and Qing in Chinese history, we tried on numerous occasions to implement a "closure of ports." This was to have dire consequences on the development of our own productive forces and caused tremendous political and economic loss. The open-door policy is highly conducive to the enlightenment of people's thinking and the promotion policy will inevitably cause certain lawless elements to take advantage of the situation and carry out activities designed to sabotage socialist construction and also definitely affect the party style and social climate. However, the present problems associated with the party style and social climate are not entirely due to the open-door policy. We must both acknowledge its side-effects and even more recognize the nature of the problem. We must have full confidence in the open-door policy and our experimentation with special economic zones. We must conscientiously sum up and continuously improve. The special economic zones must not be completely Westernized. They must not turn into second Hong Kongs or Macaos.

2. There has been a good start in building spiritual civilization and an improvement in the social and moral atmosphere. However, the development is unbalanced. What merits our attention now is that there are still many party committees and leading cadres who do not have a sufficient understanding of the significance of building spiritual civilization. Some of them think that they are too busy with their work and cannot spare time to promote the building of spiritual civilization; some of them lack confidence in building spiritual civilization, holding that "a bonus of 10 yuan is better than doing 1 year's work in grasping spiritual civilization;" some think that spiritual civilization is unable to solve problems and is like scratching an itch from outside one's boots; some think that grasping spiritual civilization is the work of the departments, and wonder why the CCP Central Committee and the provincial CCP committees should make a fuss of it. In order to persistently and profoundly launch the building of spiritual civilization, we must strengthen and improve party leadership and further enhance the whole party's understanding of building spiritual civilization. In the course of building spiritual civilization, we must strongly grasp the question of party work style, social customs and social order. We must create public opinion in a big way so that it can become regular and systematic among the masses. On the basis of extensively mobilizing the masses and improving the level of understanding, we must make the best use of the situation and formulate certain practicable facts, agreements with the masses, management regulations, rules and so forth in relation to the overall situation or certain aspects of building spiritual civilization. We must, by means of building spiritual civilization, make our people become people who have ideals, morality, culture and who abide by discipline.

3. Market prices is a major matter to thousands and thousands of families. Last year in Guangdong, procurement of agricultural and sideline products at negotiated prices and increases in the rural financial credit expenditure, workers' bonuses and transient laborers accounted for the situation in which a large number of the currency was put into operation, an excessive amount of food coupons were in the hands of the people and there was short supply of vegetables, nonstaple foods, construction materials for the rural areas, medium-size and small farm tools and other commodities.

In addition, slackened market management and increased prices of commodities have affected the livelihood of the masses and, in particular, the livelihood of a certain section of workers and staff members. The question of commodity prices is a matter of overall importance and is a relatively complicated question. We must resolutely implement the 10 regulations on stabilizing market prices issued by the State Council recently, and adopt the comprehensive measure of integrating economic and administrative methods and ideological education. The state-owned commercial enterprises must take the lead and set good examples in implementing the market price policy and strictly forbid private price increases and price increases made in disguised forms. It is necessary to seriously deal with cases in violation of the price policy and price discipline. We must punish according to law those who break the law. Governments at all levels must perfect the organs in charge of commodity prices, carry out regular inspections of the market prices, form a system and strengthen supervision by the masses. Maintaining fundamentally stable commodity prices is extremely essential to stabilizing the economy, maintaining stability and unity and improving the masses' livelihood. This must not be treated lightly.

#### RENMIN RIBAO VIEWS FORMATION OF AUDITING BODIES

HK141159 Beijing RENMIN RIBAO in Chinese 8 Jun 82 p 5

[Article by Chen Xingbo [7115 5281 3134]: "Why Does the New Draft Constitution Provide for an Auditing Body?"]

[Text] The auditing system was not provided for in China's previous three constitutions. The new provision of establishing auditing bodies is to meet the needs of our socialist modernization construction.

What does an audit mean? Generally speaking, it means analyzing, examining and checking accounting books of the enterprises and institutions so that their business and financial status will be reflected and errors or irregularities in management will be discovered. Government auditing is a part of the auditing system, which means that the state enforces supervision over financial affairs. The auditing system provided in a constitution usually and primarily refers to establishing special auditing bodies by the state to make pre-, post or temporary examinations and selective examinations of the annual and usual financial revenues and expenditures of the governments at various levels, so as to discover any mistakes, and false, illegal or uneconomical expenditures in the accounting books of governments at various levels and state-invested enterprises. Auditing is an instrument for fulfilling the state budget and examining its implementation.

The financial budget in every country (that is, annual revenues and expenditures) usually consists of four procedures: drafting, examination and approval, implementation and supervision. The auditing system has become an indispensable and important link in fulfilling the financial budget in all countries, and the independence of auditing is a general rule. However, as the conditions of various countries are different, the auditing systems are also different. In different countries, the auditing organs have different names, such as auditing office, auditing court and accountancy inspecting office. The auditing organs in some countries are under the jurisdiction of the legislative organs while in some other countries they are under the administrative or judicial organs. There are also different methods in auditing, such as pre-audit, post-audit and examination (that is, temporary or free audit), and different forms, such as submitted audit, on-site audit, circuiting audit and full or selective examinations. The United States, West Germany and some other countries have also adopted a comprehensive audit, which means carrying out a comprehensive analysis and examination of the financial affairs and business activities of the government organs and offering suggestions for improvement. As the audit systems differ in various countries, the audit roles also differ in reality.



At present, the financial system characterized by unified revenues and expenditures by the state has been changed into the system of "assigning revenue and expenditure quotas separately to the central authorities and localities and assigning responsibility for task completion at various levels." At the same time, the enterprises have been granted greater decisionmaking power and the funds for localities and enterprises have increased. The extra budgetary funds of the state have accounted for 50 percent of the budgetary funds, and those of some localities are even larger than the budgetary funds. Since the budgetary funds for capital construction have been reduced and the extra budgetary funds for other projects have increased, if supervision is not strengthened, it will be more difficult to control the scope and development of national construction. This will also be harmful to the smooth development of our economic readjustment and the development of the national economy in a proportional and planned way. For many years, a method which localities and departments have used to compete with the state for investment and materials is by asking for the approval of their leaders. The problems concerning the commencement, postponement and cancellation of a project are usually decided by the leaders in charge of the work. Meanwhile, due to the imperfection of our financial systems, the laxity in discipline and the disorder in management, as well as the sabotage of the economic criminals who made use of the loopholes in our systems, our national income has been seriously affected. Originally the financial and accounting departments in various units should play the role of supervisor over the units' financial work. However, practice shows that if supervision is not also carried out over these supervising departments, the problems still cannot be solved. Since the financial and accounting departments are under the units' administrative leadership, it is difficult for them to fully carry out supervision over the units' financial work. For example, in some units the decisions on the expenditure for some important items or for importing equipment and material are usually made before consulting the financial and accounting departments. Only when problems emerge are these departments consulted. In some units the financial and accounting staff collude with the unit leaders to deceive the state. And in some other units, when the financial and accounting staff who adhere to financial and accounting regulations resist the wrong decisions of the leaders in charge of the work, the latter will ask the principal leaders to criticize them. Sometimes they are even retaliated upon for this. Besides, there are also problems in the financial and accounting departments in some units. So in the light of the actual situation in our country, it is imperative to establish auditing organs in our state organizations to carry out supervision over their financial work. It can help plug the loopholes in our financial systems, solve the problem of lax financial discipline, and rectify the unhealthy trend in the economic field, so that the funds which should be collected by the state can be collected and the limited financial and material resources can be used more rationally and economically.

Article 92 of the draft of the revised constitution stipulates: "The State Council has an auditing body to audit and supervise the financial work, the revenues and expenditures of the governments at various levels and of the financial and monetary departments and enterprises and institutions under them. The auditing body exercises its auditing and supervisory powers independently, according to provisions of the law and subject to no interference by any other administrative organs or any organizations and individuals." Article 111 stipulates: "Auditing bodies are established in local people's governments at and above the county level. Local auditing bodies at various levels exercise their auditorial and supervisory powers independently and according to provisions of the law and are responsible to the people's governments at the corresponding levels and the auditing bodies at the higher level." These stipulations embrace the following points:



1. The duty and responsibility of the auditing bodies. The auditing bodies are supervisory organs and have the duty to audit and supervise revenues and expenditures in the financial work. The auditing body of the State Council is authorized to audit and supervise the financial work, the revenues and expenditures of the governments at various levels and of the financial and monetary departments and enterprises and institutions under them; and the local people's governments at and above the county level also establish auditing bodies to audit and supervise the local financial work and revenues and expenditures. The State Council, local governments and the enterprises and institutions under them receive income and expend money according to the budget and plans of the state, the localities and the units. Therefore, auditing and supervision chiefly mean the supervision over the implementation of the budgets. The government budgets are worked out by governments at various levels and implemented by the governments after they are examined and approved by the people's congresses at corresponding levels. The auditing bodies are not only authorized to audit and supervise the budgetary revenues and expenditures in the whole process from before implementation to the final accounts, but are also authorized to supervise the extra budgetary financial work and revenues and expenditures (including supplementary and temporary budgets). The stress of supervision is laid on whether the targets of revenues and expenditures are fulfilled and whether they are fulfilled in accordance with relevant laws, decrees, policies, regulations and financial discipline. The supervision over the financial work is a power entrusted to the auditing bodies by the constitution. The organs under examination should not refuse to be supervised and examined. They should provide the auditing bodies with reliable facts and true figures. When laws are violated, such as by corruption and serious dereliction of duty, and are found through auditing, they must be submitted to the judicial departments to be dealt with according to the law.

2. The principle of independence in auditing. Being a part of government organizations, the auditing bodies are also independent from other administrative departments. They exercise their auditing and supervisory powers independently, according to provisions of the law and are subject to no interference by any other administrative organs or any organizations and individuals. The stipulation of exercising supervisory power independently in the draft of the revised constitution is aimed at granting the auditing bodies necessary authority to ensure that their duties are carried out successfully. If the auditing bodies are not authorized to exercise the supervisory power independently, they will not be able to check any illegal and improper activities in revenues and expenditures. Any administrative organs or any organizations and individuals who interfere in the auditing work, by refusing to be examined, obstructing the examination, trying to make the auditing staff change the results of auditing, or bribing or attacking and persecuting the auditing staff, should be criticized or given party or administrative disciplinary punishments according to the seriousness of their cases. Criminal cases are subject to court decisions. The stipulation about the auditing bodies established in local people's governments at and above the county level being responsible to the people's government at the corresponding levels, and the auditing bodies at the next higher levels are also aimed at preventing other administrative organs, organizations and individuals from interfering in the auditing work. To those who interfere in the auditing work, the people's governments at the corresponding levels have the right to stop them from doing so and deal with their cases so that obstacles can be removed. If problems are found in the financial work and the revenues and expenditures of the governments at the corresponding levels and they remain unsolved after being pointed out, the local auditing bodies have the right to report to the auditing bodies at the next higher levels or even to the auditing bodies of the State Council and request them to solve the problems. The auditing body of the State Council has the right to audit and supervise the financial work, the revenues and expenditures of the governments at various levels and of the financial and monetary departments and enterprises and institutions at various levels.

NPC or, when the NPC is not in session, by its Standing Committee. The NPC Standing Committee also has the right to appoint and remove deputy chief auditors and auditors as well as the chief auditors of provinces, autonomous regions and municipalities directly under the central government. The important role the auditing bodies play requires that the appointment and removal of the chief auditors must be made with great care. The stipulations in the draft of the revised constitution on the legal procedure of the appointment and removal of the chief auditors are organizational guarantees for the auditing bodies to exercise their auditing and supervisory powers independently. They will effectively prevent the administrative organs and their leaders from interfering in the auditing work by appointing and removing the chief auditors. They will also prevent the responsible auditors who boldly adhere to principles and act strictly according to law from being retaliated upon.

In order to perfect the auditing system in our country, the principles provided in the constitution are certainly not enough. For example, the duties and responsibilities of auditing bodies must be made clearer and more concrete. There must also be stipulations on how to carry out the auditing work, how to deal with problems which have been discovered by audit, and on the composition of the auditing bodies and requirements for auditors. In short, we must draw up the audit law, the audit program law and the law governing the organization of auditing bodies as soon as possible so that the socialist auditing system can become a complete legal system and the auditing system can serve our socialist modernization drive more effectively.

#### BRIEFS

WINTER WHEAT VARIETY -- Beijing, 12 Jun (XINHUA) -- A new wheat variety bred through another culture has been recently named "Jinghua No 1," according to the Beijing Municipal Academy of Agricultural Sciences. Agrotechnicians of the institute of crops under the academy said they achieved the success after years of research. The new wheat variety has been trial-grown on the outskirts of Beijing for the past 2 years. It was found to be resistant to disease and lodging (being beaten to ground by weather) and the average yield per hectare was 5.25 tons. With additional fertilizer, irrigation and good management the yield would exceed 7.5 tons per hectare, they said. Jinghua No 1 will be sown in larger areas in China beginning next autumn, the academy said. [Beijing XINHUA in English 0708 GMT 12 Jun 82 OW]

JIANGXI PEOPLE'S CONGRESS COMMITTEE MEETS

OW131151 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 12 Jun 82

[Text] The standing committee of the 5th Jiangxi Provincial People's Congress held its 12th session at the Jiangxi guesthouse this morning. Yang Shangkui, chairman of the provincial people's congress standing committee, presided over the meeting. Attending were Vice Chairmen of the Standing Committee Liu Junxiu, Luo Mengwen, Zhang Yuqing, Li Fangyuan, Gu Jiguang and Xie Xianghuang.

The agenda included:

1. Study and discuss the revised draft constitution;
2. Hear a report by the provincial agriculture and reclamation department on afforestation and tree planting in our province this year, and examine and adopt provisional regulation on the management and protection of forestry resources of Jiangxi Province;
3. Hear a report by the provincial planning commission on the situation of environmental protection in our province, examine and adopt a provisional regulation on collecting taxes for discharging industrial waste;
4. Hear a report by the provincial scientific and technological commission on agricultural science work in our province; and
5. Issues related to personnel discussions and appointments.

Xie Xianghuang, vice chairman of the provincial people's congress standing committee, reported on the discussion on the revised draft constitution by the NPC.

Vice Provincial Governor Wang Zhaorong, (Bian Pengyue), president of the provincial higher people's court, and (Li Ying), deputy chief procurator of the provincial people's procuratorate, were present at the meeting.

Also present at the meeting were responsible comrades of departments under the provincial people's congress standing committee, responsible persons of the province's various administrative offices, and responsible persons of the various municipal and county people's congresses and district people's congresses in the various municipalities.

PUBLIC HEALTH WORK IN SHANDONG COUNTY DESCRIBED

OW141310 Beijing XINHUA in English 1249 GMT 14 Jun 82

[Text] Jinan, June 14 (XINHUA correspondent) -- A preview of the public health work at Yexian, where 15 developing countries are holding an inter-regional seminar on primary health care, showed it to be a typical Chinese county with no modern hospital buildings or sophisticated medical equipment.

But the people appear robust, the streets clean and the village courtyards tidy. Poplar trees and willows flank the streets and peonies and roses are in full bloom in the courtyards. Here, cholera, typhus, V.D., diphtheria and poliomyelitis are plagues of the past, and there were only 2 reported cases of malaria in 100,000 in 1981.

A cooperative medical system was first initiated in 1958 and has since been developed to cover all villages, said Liu Zhiying, director of the Yexian County Public Health Bureau.

There are now 31 hospitals with 1,000 beds and 1,500 professional medical personnel, in addition to more than a thousand clinics and 2,122 barefoot doctors servicing the people at the production brigades. In 1981 an average of 76 percent of the patients were treated at the village clinics, 20 percent more at the commune hospitals and only 4 percent difficult cases needed to be dealt with at the county level. The barefoot doctors, he said, take turns in studies sponsored by the state to upgrade their competency. An examination given last year promoted 1,623 to "country doctor" level.

In China, he explained, "prevention" comes first in public health. The mass line is adopted to mobilize the peasants in this work. The people soon realized that the elimination of mosquitos and flies must start with water purification, cleaning toilets and pigsties. Water ditches were dredged and 90 percent of the families are using self-devised pipe water for drinking. Nightsoil is now piled and sealed with mud to ferment into fertilizer. It is a positive cycle, said Yexian Magistrate Wang Zhengxiu, since with better public health and sanitation, production goes up and thus there are more funds for public health undertakings.

Yexian on the Shandong Peninsula has 88,698 hectares of arable land and a population of 833,000 people. Its industrial and agricultural output total 877.8 million yuan. The 1981 per hectare grain output, mainly wheat, corn and peanuts, averaged 7.55 tons, giving each individual an average annual income of 196 yuan from the collective, a sum free from income tax and rents. Financially, it is not difficult for the peasants to shoulder the average 3 to 5 yuan (1.63 to 2.7 U.S. dollars) per person of medical expenses involved, he added. But in some richer production brigades they are borne entirely by the collective, while in some brigades, two thirds by the collective and one third by the commune members themselves.

Summing up their public health experiences, he said, these preliminary accomplishments are credited to the mobilization of the masses, the cooperative medical system and barefoot doctors and finally the full utilization of local resources, namely the traditional Chinese medicine.

#### TIE YING ATTENDS ZHEJIANG CPPCC SESSION

OW141421 Hangzhou Zhejiang Provincial Service in Mandarin 1030 GMT 14 Jun 82

[Excerpts] The fourth session of the Fourth Zhejiang Provincial CPPCC Committee opened ceremoniously at the Graet Hall of the People in Hangzhou this morning. Present were First Secretary Tie Ying and Deputy Secretary Wang Fang of the Zhejiang Provincial CCP Committee. The opening session was presided over by Mao Qihua, chairman of the provincial CPPCC committee.

In his report on the work of the Standing Committee of the Fourth Zhejiang Provincial CPPCC Committee, Vice Chairman Jiang Ximing of the provincial CPPCC Committee said: Since the third session of the fourth provincial CPPCC committee, the standing committee of the provincial CPPCC committee, under the guidance of the party's line and principles, under the leadership of the Zhejiang Provincial CCP Committee and with the close cooperation and joint efforts of various democratic parties and people's organizations, has done a great deal of work to promote further economic readjustment and political stability and unity as well as the reunification of the motherland.

After dealing with the work of the provincial CPPCC committee over the past year, including promotion of the return of Taiwan to the motherland and study of the central authorities' important documents, Jiang Ximing said: Our future tasks are to earnestly study and implement the guidelines laid down by the national conference on united front work and to further expand the patriotic united front. We should now do a good job in implementing various policies in close coordination with the party and the government.

Attending the opening ceremony were Xu Ju, He Kexi, Zhang Renzhi, Zhu Zhiguang, Chen Li, Cai Bao, Wu Youxin, Wang Jiwu, Cui Dongbo, Peng Ruilin, He Zhibin and (Huang Keyun), vice chairmen of the provincial party committee. The session held panel discussions this afternoon on the report on the work of the standing committee of the provincial CPPCC committee.



GUANGDONG: CPPCC REVIEWS INTELLECTUALS POLICY

HK160431 Beijing ZHONGGUO XINWEN SHE in Chinese 1430 GMT 15 Jun 82

[Report: "Ren Zhongyi and Liu Tianfu Listen to the Opinions of the CPPCC Group Investigating the Implementation of the Policy on Intellectuals Toward the 'Three Kinds of Compatriots'"]

[Text] Guangzhou, 15 Jun (ZHONGGUO XINWEN SHE) -- First Secretary of the Guangdong Provincial CCP Committee Ren Zhongyi, Guangdong Governor Liu Tianfu and others this afternoon received the CPPCC group investigating the implementation of the policy on intellectuals toward Taiwan compatriots, Overseas Chinese and Hong Kong and Macao compatriots and listened to its opinions.

In his talks with the members of the investigation group, Ren Zhongyi pointed out that the CPPCC investigation group not only investigated how the policy on intellectuals toward the "three kinds of compatriots" was being implemented in some areas of Guangdong Province but also examined the work of the provincial party committee and the provincial government. The investigation group not only affirmed the achievements of Guangdong Province but also frankly posed problems. The problems investigated by the investigation group are highly representative and help greatly in further implementing various policies in Guangdong Province.

After concluding its investigation in Fujian on 3 June, the CPPCC investigation group reached Shantou municipality on 4 June. Its members conducted a 12-day investigation in Shantou, Chaozhou, Meixian and Guangzhou.

Huang Dingchen, head of the CPPCC investigation group, said to Ren Zhongyi, Liu Tianfu and others that the governments of Guangdong Province, Shantou, Meixian and other areas had attached great importance to the implementation of the policy on intellectuals toward the "three kinds of compatriots", done a large amount of work and achieved relatively prominent results. But he pointed out that at present, Guangdong Province's implementation of the policy on the private housing of Overseas Chinese still left something to be desired, and that the implementation of the policy toward dependents of those who had gone to Taiwan had only just begun and the task in this respect was still a very arduous one. He also put forth some suggestions to Guangdong Province.

Ren Zhongyi and Liu Tianfu immediately assigned the relevant departments to seriously handle the problems raised by the CPPCC investigation group.

Responsible persons of Guangdong Province and Guangzhou municipality who received the CPPCC investigation group included Liang Weilin and Xue Yan.

GUANGDONG LEADER ON ECONOMIC COOPERATION

HK130223 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 12 Jun 82

[Text] Comrade Liu Tianfu made a speech at a forum convened by the provincial government on 11 June on economic and technical cooperation. Speaking on problems in economic and technical cooperation inside and outside the province, he demanded that government at all levels set up cooperation organs and put them on a sound basis and that the responsible persons of the economic departments take the lead in going out, promote cooperation in a just and forceful way, and clear the main channels.

Comrade Liu Tianfu said: At present only about 50 percent of the province's products are covered by the state plan. We have to rely on cooperation with fraternal provinces and regions for a considerable proportion of our materials, raw materials and fuel, in order to make up for insufficiencies in the plan. However, recently some places in other provinces and regions have not understood Guangdong's situation very well, with the result that mutual cooperation channels have been cut and circulation channels blocked.

Unless this problem is solved, it will have a very great effect on the province's production this year and next and will be very bad for mutual economic development.

Comrade Liu Tianfu said: The leaders at all levels must attach importance to economic and technical cooperation and take effective measures to rapidly promote this work. At present it is first necessary to set up provincial, prefectural, municipal and departmental cooperation organs and put them on a sound basis, and send people out to take rapid action. The responsible persons of the economic departments at all levels must take the lead in going out, and clear the main channels. Cadres and purchase and sales personnel with good ideology and work style, who have scored success and made contributions in cooperation, must be promptly commended and rewarded. The leaders at all levels must spontaneously accept responsibility for past mistakes in cooperation work.

#### GUANGDONG TEACHERS COMPLAIN OF LOW REMUNERATION

HK160747 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 15 Jun 82

[Text] While inspecting institutes of higher education in the past few days, deputies of the Guangdong Provincial People's Congress heard many appeals by middle-aged teachers about excessively heavy burdens and low remuneration. This must be brought to the attention of leadership departments of the party and the government.

Beginning on 9 June, the inspection group, comprising 10 people and led by Provincial People's Congress Standing Committee Vice Chairman Ou Mengjue, went successively to Zhongshan University, Jinan University, Guangzhou Physical Culture College and Huanan Normal College. When they arrived at a college or a school, they held a forum of various forms, which was attended by cadres, teachers and students. They universally listened to opinions. Many teachers said that, over the past few years, institutes of higher education have done a great deal of work in implementing the policy on intellectuals and teachers living conditions have been improved to a certain extent. At present, it is necessary to show more concern for the middle-aged and young teachers. This is an important aspect of further implementing the policy on intellectuals.

Zhongshan University disclosed that middle-aged backbone teachers at an above the lecturer's level generally have excessively heavy burdens and low remuneration. Due to low living standards, middle-aged backbone elements become old before their time and there will be no successors in many branches of learning. They urgently hope that deputies of the provincial people's congress will urge departments concerned to take effective measures to solve this problem.

XIZANG ACTS TO IMPROVE NATIONALITY RELATIONS

OW120547 Beijing XINHUA Domestic Service in Chinese 0730 GMT 11 Jun 82

[Excerpts] Lhasa, 11 Jun (XINHUA) -- According to a report by XINHUA reporters Shen Wanqi and Sun Mingzhen, the Xizang Autonomous Regional CCP Committee had adopted a series of measures to readjust and improve the relations among various nationalities and extensively and meticulously carried out its work well in strengthening unity among nationalities since its firm implementation of the directive issued by the central authorities on work in Xizang two years ago. This has brought about a fine situation in the autonomous region with the cadres and masses of all nationalities working hard together to build a new Xizang.

For the past 2 years, the main experience of the regional CCP committee in strengthening unity among nationalities has been as follows:

1. It has vigorously brought order out of chaos in guiding ideology for nationalities and eliminated the influence of "leftists" ideas on the nationality issue. It has also repeatedly disseminated Marxist-Leninist theories on the nationality issue and carried out reeducation among the people on China's nationality policy. For the past 2 years, the regional CCP committee has convened several enlarged meetings in which responsible comrades have repeatedly pointed out that the relations among nationalities in Xizang have become those among the working people after the completion of democratic reform. They called on the people of all nationalities to further strengthen unity on the new basis.

The autonomous regional CCP committee has further implemented the party's policy of self-government in national autonomous areas, reaffirming the rights of the national minority people in governing their own affairs. For the past 2 years, a large number of minority nationality cadres have been promoted to leading posts, and hundreds of patriotic personnel have been given proper jobs. The regional CCP committee has stressed that it is essential to implement the various guidelines and policies issued by the central authorities in close connection with the special characteristics in Xizang and in accordance with the principles laid down by the Constitution. The standing committee of the autonomous regional people's congress has strengthened the local legislative work. In handling all affairs, the people's governments at all levels have also taken into consideration the special conditions in Xizang and tried their best to take care of the interests and needs of the people of the Tibetan nationality. This has made the people of the Tibetan nationality realize that they have been really treated as equals in the community of the motherland. They have also understood that the party's nationality policy is sincere and consistent. This has enhanced their confidence in and their feelings for the party. Thus, they have even more consciously safeguarded the unification of the motherland and the unity among all nationalities.

2. The regional CCP committee has readjusted the economic policy, vigorously developed production, raised the people's living standards and laid a sound material foundation for the unity among all nationalities.

During the past 2 years, the government has appropriated more than 410 million yuan to help the urban and rural people in Xizang develop production and promote the Tibetan handicraft industry. This year the autonomous region has once again decided to continue exempting the peasants and herdsmen in Xizang from paying taxes in agriculture and animal husbandry for a period of 3 years. Those who live in remote districts and backward areas will be exempted from paying such taxes for an even longer period. All these measures have greatly stirred the masses' enthusiasm for production.

3. The unity among the members of the leading group of the regional CCP committee has brought about the unity among the party organizations at all levels and among the cadres of all nationalities. The regional CCP committee has emphatically pointed out: The unity among the leading bodies at all levels, particularly the unity in the standing committee of the regional CCP committee, provides an organizational guarantee in achieving unity among the people of all nationalities and resolutely implementing the directive of the central authorities.

A responsible comrade of the regional CCP committee points out: under new historical conditions, an issue regarding relations among nationalities is generally an issue among the working people. In tackling an issue of this category, we first must strengthen education on a regular basis. We must take precautionary measures and try our best to guard against disharmony. Second, when there is disharmony, we must find out the nature of the issue and the reason for creating such disharmony. In general, we must adopt the measure of criticism and self-criticism, and tackle this issue prudently and properly. Third, after the issue is solved, we must earnestly sum up our experience and draw lessons, help everyone raise their awareness and achieve new unity on a new basis. During the past few years, the Xizang Autonomous Region has carried out its work on nationality issues in such a manner. As a result, it has effectively improved the relations among all nationalities.

#### YUNNAN PEOPLE'S CONGRESS MEETING OPENS 10 JUN

HK110832 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 10 Jun 82

[Summary] The 14th meeting of the 5th provincial people's congress standing committee was held in Kunming this morning [10 June]. The agenda of the meeting follows:

1) Discuss the draft of the revised PRC Constitution. 2) Listen to the report of the provincial people's government on the implementation of the State Council's regulations on controlling the building of residential houses in villages and towns; examine and adopt the measures of the provincial people's government on the implementation of the State Council's regulations on controlling the building of residential houses in villages and towns. 3) Listen to the details of the proposal by the provincial people's government on revising the provincial regulations on the control of materials that pollute the environment; examine and adopt the province's regulations on the control of materials that pollute the environment. 4) Consider appointments and dismissals.

The meeting was presided over by Zhang Haitang, vice chairman of the provincial people's congress standing committee. Also attending the meeting were Vice Chairman Sun Yuting, Zhang Tianfang, Zhang Zizhai, Li Hecai, Yu Lanfu, (Yan Yitian), (Huang Ping) and (Li Guiying).

At the plenary meeting, the agenda of the meeting was passed. Vice Chairman Sun Yuting gave a report on discussions of the draft of revised PRC constitution. Vice Governors We Shengmin and Lin Chao, provincial CPPCC committee Vice Chairman Wang Qiming, provincial higher people's court President Xiao Huayou and the provincial people's procuratorate Chief Procurator Wang Lizhong attended the meeting as observers. Other responsible people from the country people's congress standing committee and provincial organizations also attended the meeting as observers.



HEBEI RIBAO URGES INCREASE IN INDUSTRIAL GROWTH

HK111350 Shijiazhuang HEBEI RIBAO in Chinese 4 Jun 82 p 1

[Reporter's roundup: "Go All-Out, Advance From Victory to Victory, Reach a Still Higher Level"]

[Text] Beginning this year, the workers and staff members of our province's industrial and communications departments have heightened their fighting spirit and made unrelenting and strenuous efforts, with gratifying achievements being obtained in the growth rate and economic returns of industrial and communications production throughout the province. From January to April, the total output of industry has increased by 9.1 percent over the corresponding period last year, heavy industry has increased by 5.4 percent and economic returns are better than last year. The profit of industries and enterprises realized in the first quarter in the local budget of the province has increased by 10.78 percent over that of the corresponding period last year, and the profits handed to the higher authorities has increased by 3.3 percent.

However, we should realize that there is still no fundamental change in the backward situation of industrial and communications production in our province. Many targets in the whole country are still rather backward and there are still many problems in carrying out the plan for increasing industrial production this year. According to the demand for "ensuring a 40-percent increase and striving for 50-percent growth" in the annual rate of industrial production, we have fulfilled only 31.9 percent of the plan for the whole year in the first quarter, and the task for the subsequent 8 months will be extremely arduous. Although there has been an improvement in economic returns, development is unbalanced and the economic returns of some trades and enterprises are still very disappointing. The qualitative and consumption targets of principal products have not been properly fulfilled, and the costs of fixed products have risen. A shortage exists in raw materials and fuel, especially in the supply of coal, electricity and oil. There is a serious drought at present and soon we will enter the high-temperature and rainy season. This will also greatly affect industrial production. Therefore, we must keep a clear head and not lose sight of the current problems in production. We absolutely cannot treat them lightly.

We must continue to thoroughly implement the guidelines of the national industrial and communications work conference and the guiding ideas of party committees and people's government at various levels. First, we must conscientiously shift the focus of work to socialist modernization centered on economic construction. Second, economic work must be shifted to improving economic results. We must constantly study and solve problems arising in production, mobilize the masses of cadres, workers and staff members, go all out, advance from victory to victory and reach a still higher level. Practice in many localities has proved that studying the experience of the Handan No 2 Construction Company and teaching the workers and staff members to have a sense of responsibility of being the master of their own affairs are effective methods of urging everyone to consciously become the master of society, fully bringing their initiative, enthusiasm and creativity into play and making contributions to the four modernizations. We hope that all units will view this work as the key to making a success of production.

We must integrate the all-round reorganization of enterprises with making a success of current production. The way has already been paved for the all-round reorganization of industrial and communications enterprises in the province. Various levels must strengthen leadership. The key lies in paying proper attention to the work of reorganizing and readjusting the leading bodies. Teams staying at selected grassroot units must do their work well and solve problems effectively. The reorganized enterprises must promote current production with speed and results. The first group of reorganized enterprises must overfulfill this year's production task and set a new standard for the targets of various economic returns.

We must use every means to achieve the plan calling for increased production and practicing economy. All prefectures, municipalities and departments must conscientiously implement the increase production and practice economy plan formulated at the provincial industrial and communications work conference, mobilize the masses and organize its implementation. Light industry must continue its big growth, and heavy industry must maintain its rising momentum. We must make an effort to improve product quality, increase variety and produce products which cater to market demands. Apart from the plan for increasing production already arranged, all enterprises with conditions and potentials should strive to increase the production of key products and products in short supply, such as food, clothing and commodities based on market demands. Enterprises with insufficient tasks should pay even more attention to strengthening market survey, acquainting themselves with market demands, promptly solving problems in production and properly arranging production. We must make energetic efforts in grasping properly the work of supplying raw materials and fuel, and material supply departments must ensure the supply of raw materials covered by the plan. Industrial and communications enterprises must adopt measures to lower consumption, economize on the use of various raw materials, properly grasp the work of saving coal, oil and electricity, strengthen management and strive to increase production and speed by practicing economy. We must do a good job of the various preparatory work to meet the high-temperature and rainy season, make a success of safety in production and guarantee fulfilling the increase production and practice economy plan for the whole year.

We must quicken the pace of technical transformation projects for this year. Technical transformation projects under construction and arranged for this year must be completed as scheduled according to plan and must bring their role into play in this year's production. There must be clear and definite responsibility for every project from selection and design to construction and operation, and there must be special people in charge from beginning to end. The department in charge must make periodic inspections of the rate of progress and must carefully inspect the completed project before acceptance.

We must actively organize the linking up of production, supply and marketing. Both industry and commerce must adhere to taking planned economy as the key link, establish the standpoint of coordinating all the activities of country like pieces in a chess game, work closely together, coordinate actions, link up production, supply and marketing, continue to develop channels of communication, guarantee the smooth progress of production and place them in the service of satisfying the needs of society. We must strictly implement the state plan. Industrial production and commercial purchasing must be carried out according to plan, contracts must be signed according to plan and work must be carried out according to the terms of the contracts.

This year, the task of industrial and communications production in our province is very heavy. We hope that the leading members at various levels will heighten their revolutionary spirit, conscientiously change their work style, go deep into the frontline of production, promptly and effectively solve problems, sum up and popularize new experiences so that everybody from top to bottom will make concerted efforts, work hard and go all out to grasp properly this year's industrial and communications production.

#### SHANXI AUTHORITIES HELP ENTERPRISES STOP LOSSES

HK140407 Taiyuan SHANXI RIBAO in Chinese 29 May 82 p 1

[Report: "Party Committees and Industry and Communications Departments Throughout the Province Take Effective Steps To Help Enterprises Running at a Loss To Change To Making a Profit Within a Set Time"]

[Text] Reporter Gong Gui reports: Party committees and industry and communications departments of districts and municipalities throughout the province, after making thorough investigation and study in enterprises running at a loss and analyzing reasons for losses incurred there and other current problems, have taken steps to help these enterprises to change to making a profit within a set time. This practice has aroused the initiative of the broad masses of staff and workers and has achieved noticeable results.

Since the beginning of this year, industrial and communications enterprises in our province have been running at a loss with the volume getting higher from 1 month to another. By the end of April, there were 604 enterprises throughout the province running at a loss with a total volume of 38.84 million yuan. Recently, the standing committee of the provincial party committee made a special study of the problem of enterprises incurring financial losses. The provincial committee held that the existence of the problem of so many enterprises running at a loss had severely affected the development of the economic work of our province. This also showed that leading comrades in some economic departments had not bestirred themselves and had not exercised effective leadership and proper management. Thus the provincial committee and the provincial government issued an "urgent circular on effectively solving the problem of enterprises running at a loss." The circular urged that leaders at all levels must take resolute steps to solve this grave problem and basically change the situation within 3 months' time, that is, from June to August. Comrade Huo Shilian, the first secretary of the provincial CCP committee, giving close concern to this problem, explicitly pointed out that solving the problem of enterprises running at a loss must be treated as an important task concerning the improvement of economic results and that the enterprises running at a loss must change to making a profit within a set time. Leading comrades in charge of industry in the provincial CCP committee and the provincial government together with leading cadres in the economic council, the planning council, the financial council and other departments concerned of the provincial government conducted investigation and analysis in some large and medium-sized enterprises running at a loss. They found out the main problems there, and by means of joint consultation of all parties concerned and making decisions on the spot, helped them solve some urgent problems. Party committees of districts, municipalities and counties and local departments concerned also investigated one by one their enterprises running at a loss. They found out that the main reasons included: Some enterprises were poorly managed resulting in severe waste, big consumption and high overheads. In some enterprises, products were inferior in quality, and varieties and designs are few and excessively overstocked. In some enterprises, equipment was obsolete and production conditions were unfavorable. In some enterprises, leading groups were weak and slack in their work; some leading members were even on bad terms with each other. In some enterprises, losses were caused due to the problem of policies.

On the basis of finding out the causes of enterprises incurring financial losses, leading comrades in charge of industry at all levels took measures of specifying the responsibility of every leader to take charge of certain factories, ensuring that they made up their deficits, rectified management, upgraded product quality, lowered cost and consumption and carried out technical transformation and equipment renewal. At the same time, enterprises where raw materials were not guaranteed, products did not meet demands and losses were incurred for a long time, had to be shut down or reorganized. The party committee of Yanbei District asked all chemical fertilizer enterprises in this district to stop financial losses and increase profits by the end of June. Enterprises which cannot stop losses within the time limit will be resolutely asked to stop production and conduct reorganization. Those that still incur losses after reorganization will be shut down. Enterprises where losses are not large and can be stopped when efforts are made have been asked to change to making a profit within a set time. Management systems and measures for examining and approving subsidies to enterprises incurring losses have been tightened. Financial departments will not give subsidies and banks will not make loans to those enterprises which incur financial losses outside or over planned limits. Zhaling iron mill in Huoxian county and several other enterprises in Linfen District incurred a total loss of 1.06 million yuan last year. The district committee planned to close or reorganize these enterprises within this year and use their manpower, equipment and factory space to produce products that meet market demand. The Changzhi municipal committee, besides adopting the measures of setting ceilings for losses in enterprises and

stopping subsidies to enterprises where losses exceed the ceiling, has laid down a system of reward and penalties for enterprises where losses are allowed in plans, so as to encourage reduction of losses and prevent losses from exceeding planned limits. The Yangquan municipal committee has laid down targets, time limits and measures for grassroots units, covering all enterprises, workshops, teams and groups.

In Luliang District, 13 coal mines incurring losses, after reorganization, reduced their losses from 770,000 yuan in the first 4 months of last year to 170,000 yuan in the same period of this year.

District and municipal authorities have also paid attention to helping technical transformation and equipment renewal in enterprises incurring losses. The Changzhi municipal committee has raised 2.6 million yuan of funds for these enterprises and used these funds mainly to finance 13 projects of technical transformation. They are now under rapid construction and will achieve results within this year. The Datong municipal committee has allocated 1.316 million yuan from the subsidy for transferring coal to other areas and applied the funds to technical transformation of enterprises incurring losses. The Taiyuan municipal committee and the Jizhong District committee organized enterprises incurring losses to cooperate and handle joint ventures with advanced enterprises in Shanghai, Jiangsu and Zhejiang, thus achieving results in a short time, some of them have even shaken off the label of incurring losses.

#### BRIEFS

NEI MONGGOL RURAL ECONOMY -- According to statistics released by the regional statistics bureau, the economy in rural and pastoral areas of the region is getting better, and commune members' income from collective distribution is higher every year. Last year, per-capita commune members income from collective distribution was 93 yuan, an increase of 38.81 percent over that of 1980. The region's highest per-capita commune member's income -- 211.91 yuan -- was recorded in Alxa League. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 7 Jun 82 SK]

NEI MONGGOL INDUSTRIAL ACHIEVEMENTS -- Over that past 3 years, industrial enterprises throughout Hohhot municipality, Nei Monggol Autonomous Region, have scored a 6.8 percent increase in output each year, a 1.4 increase in taxes and 14.4 percent increase in profits handed over to the state. The municipal proportion of light and textile industrial production amounted to 56.4 percent of production of all industries in 1978 but 69.5 percent in 1981. The municipality has introduced 258 varieties of new products and over 1,840 categories of new design, color and packing style. Its 41 products have been appraised as fine quality. Two products have been conferred medals by the national authorities. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 9 Jun 82 SK]



HEILONGJIANG HOLDS MEETING FOR COLLEGE GRADUATES

SK080810 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 7 May 82

[Excerpts] The provincial conference on assigning jobs for the 1982 college and university graduates concluded today after a 5-day session. It discussed and studied issues concerning policies and principles pertinent to the deployment of 1982 college and university graduates and discussed the job assignment plan.

The guidelines of the national conference on assigning jobs for this year's college and university graduates stipulate that the key points and orientations of job assignments for college graduates are centered on strengthening the production of the light, textile, energy, communications, transport and building materials departments and that in the future special attention should be paid to organizing graduates of agricultural, forestry, medical and teacher's training colleges to work on the forefront of agricultural production and to reinforce grassroots units below the county level year after year. In line with the above guidelines, the conference set forth demands on this year's college graduate job assignment work.

The conference noted: One of our province's major issues is our serious shortage in technical forces for the light and textile industries. Therefore, in assigning jobs for this year's college graduates, we must give priority to this area. During the job assignment work, we must educate the graduates to be concerned with what the country is concerned with and worry about what the country is worried about. We must urge all graduates who are qualified to work on the light and textile industrial front to volunteer to work there and to bring their talents and role into full play. Departments concerned, while employing and arranging jobs for graduates from the light and textile vocational schools, must not assign them jobs not in their chosen field of study.

The conference urged all colleges and universities to strengthen ideological and political work, do a good job on conducting education on assigning jobs for the college graduates and resolutely stop unhealthy tendencies in this regard.

HEILONGJIANG'S FOREIGN TRADE TRANSACTIONS BOOMING

SK111005 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 10 Jun 82

[Text] According to our sources, thanks to abundant natural resources and the day-to-day product increase of industrial and agricultural production, Heilongjiang Province has achieved rapid progress in direct transaction of foreign trade and has become the leading trade province on northern China.

Since approval by the central authorities in January 1981 on direct trade transactions with foreign countries, our province has attained steady development in foreign trade by following the principle of equality and mutual benefit and helping supply each other's needs as well as by widely opening trade channels and boosting each other closely. The province has successively established foreign trade offices in Guangzhou, Dalian and Qinhuangdao cities, which have taken up tasks such as dealing with goods storage, consigning shipments and allocating exchanges. According to the business contracts signed at the first provincial export trade fair held in Harbin in 1981, the province has established business relationships with over 1,100 traveling traders from over 100 countries or regions of the five continents. As of now, about 100 commodities of our province have been directly exported to foreign markets.

In the past, our province supplied commodities only to internal markets and was only entrusted by the coastal export cities, including Dalian, Tianjin and Shanghai, in commodity procurement and allocation. Following direct transaction of foreign trade and the steady increase of export transactions, our province has made a good start in giving full scope to the strong point of provincial natural resources and opening more production avenues of export commodities to enliven the economy.

At present, in addition to exporting special local commodities, our province has achieved an increase year after year in exporting machinery and electronic commodities as well as chemical industrial products. There are a large number of enterprises throughout the province which have scored over 10 million yuan of export value and have paved a new road toward improving the structure of export commodities and giving full scope to the strong point of the provincial heavy industrial production. In 1981, the Harbin municipal procurement volume of export commodities in machinery, electronic and chemical industries amounted to 58 percent of the municipal annual total volume. In addition, a large amount of new export commodities such as watchbands, candies, cameras, carpets, towelling coverlets and sheets have been delivered each year to markets both at home and abroad and have been greatly welcomed by consumers.

#### JILIN FIFTH PEOPLE'S CONGRESS OPENS SESSION

SK120358 Changchun Jilin Provincial Service in Mandarin 1100 GMT 11 Jun 82

[Excerpts] The fourth session of the fifth provincial people's congress opened ceremoniously this afternoon at the auditorium of the provincial guest house in Changchun. The session opened under an excellent situation in which the party and the people throughout the country are ideologically more unified, society is more stabilized, economic readjustment has scored more results and all other work has achieved new success.

The guiding thoughts of the session are the decisions of the 6th Plenary Session of the 11th CCP Central Committee and the spirit of the 4th Session of the 5th National People's Congress. The main tasks of the session are using the study and discussion of the draft of the revised PRC constitution as a motivating force and, in accordance with the spirit of the 1982 work outlines of the provincial people's government, to sum up work in the last year, to discuss and make decisions on major issues in our province's socialist material and spiritual civilization building and to organize the people of all nationalities in the province to boost morale, work diligently and strive to promote our province's national economy.

The executive chairmen of today's session are Li Youwen, Song Renyuan, Zhao Tianye, Xu Shouxuan, Liu Cikai, Zhang Kaijing, Wu Duo, Cheng Shengsan, Yu Ruihuang and Ren-qin-zha-mu-su. Attending today's session were (Lui Jingzhi), secretary of the provincial CCP Committee, and responsible comrades of the provincial higher people's court, the provincial people's procuratorate, various committees, offices and bureaus under the provincial people's government, municipal and prefectural people's congress' standing committees and prefectural administrative offices. All participants at the fourth session of the fourth provincial CPPCC committee also attended the session.

The work report of the provincial people's government delivered by Zhang Shiyang, deputy governor of the province, consists of four parts. The first part is a review of the economic work in the past year. The second part is the major task for economic construction in 1982. The third part is the need to do a better job in building the socialist spiritual civilization. The fourth part is the need to strengthen the socialist legal system and attack serious criminal activities in the economic field and serious crimes which do grave damage to social order.

#### Deputy Governor's Work Report

SK130654 Changchun Jilin Provincial Service in Mandarin 1100 GMT 12 Jun 82

[Excerpts] Deputy Governor Zhang Shiyang delivered a report on government work at the first meeting of the fourth session of the fifth provincial people's congress. He pointed out: The principal tasks for economic construction in 1982 are to steadily develop agriculture in an all-round manner, continue to execute industrial readjustment, vigorously promote enterprise consolidation, fully tap the potentials of existing enterprises and strive to improve economic efficiency, achieve a higher economic growth rate than last year, strive to balance revenue and expenditures and stabilize market prices and improve people's livelihood.

The report points out: To fulfill this year's tasks of economic construction, we must pay particular attention to the following 10 tasks:

1. Strive to reap a bumper agricultural harvest and promote agriculture, forestry, livestock breeding, fisheries, sideline production and industry simultaneously. Promoting the rural economy in an all-round manner is crucial to guaranteeing the overall growth of the national economy. We must continue to uphold the principle of relying on policy and science, fully mobilize the socialist consciousness of the broad masses of peasants and try in every possible way to combat natural disasters of every description to ensure an all-round harvest in agricultural production. Efforts should be made to stabilize and improve the responsibility system in agricultural production, readjust the agricultural structure, change the practice of one-crop farming and increase the production of commodities.
2. Enact enterprise consolidation in a down-to-earth manner by focusing on improving economic efficiency. The focal point of the work on the industrial and communications front now and in the next 2 or 3 years is to successfully enact enterprise consolidation in an all-round manner. This is also crucial to the overall fulfillment of this year's industrial production tasks, the improvement of economic efficiency and the promotion of the province's industry. We must attend to this work in a planned and gradual manner in line with the guidelines of the CCP Central Committee and State Council decision on the overall consolidation of state-owned industrial enterprises and the requirements of the recent provincial industrial conference. Focusing on improving economic efficiency, we must pay particular attention to the following points in enacting enterprise consolidation: First, earnestly attend to strengthening leading bodies. Second, improve enterprise management.
3. Further readjust the industrial structure by proceeding from the province's actual conditions. We must cultivate the ideology of taking the whole country and the whole province into account, break the bounds of different trades and unify our thinking to promote in a planned manner the trades that should be promoted and resolutely close, suspend, merge and transfer to other lines of production all the enterprises that are not managed well. Efforts should be made to control the production of goods which are in oversupply and avoid blind and repetitive construction. Efforts should be made to reform the economic system and expand the authority of enterprises. In industrial readjustment, we should continue to promote collective enterprises.
4. Fully tap the potential of existing enterprises and implement technical innovations in a planned manner with the emphasis on key projects.
5. Increase income and practice strict economy to strive to balance revenue and expenditures.
6. Link channels of purchasing and marketing and improve the work of commercial, supply and marketing and foreign trade departments.
7. Implement a labor policy in a correct manner and improve the technological levels of staff and workers.
8. Continue to promote planned parenthood and strictly control population growth.
9. Accelerate scientific and technological development and promote education to cultivate more talented people to meet the requirements of economic development.
10. Improve the people's livelihood on the basis of developing production.

## Report on Economic Figures

SK130800 Changchun Jilin Provincial Service in Mandarin 2200 GMT 12 Jun 82

[Text] According to JILIN RIBAO, entrusted by Zhang Gensheng, acting governor of the province, Zhang Shiyang, deputy governor of the province, made a government work report on 11 June at the fourth session of the fifth provincial people's congress. He said in his report: Our province's political and economic situation is getting better and better. Since the beginning of this year, a good start has been made in economic construction and various other fields. Prosperity has come to all rural places. Last year the province reaped a good harvest in agriculture, forestry, animal husbandry, sideline occupations, fishery and industry. The agricultural output value amounted to 5.75 billion yuan, up 7.2 percent over the previous year. Total grain and soybean output reached 18.4 billion jin, an increase of 7.3 percent over the previous year and a record in the province. The rural collective economy greatly developed, and peasants' income increased. Each commune member's income from collective distribution was 144 yuan, up 22 percent over the previous year. The number of production teams whose per capita income from collective distribution averaged over 300 yuan increased from 796 in the previous year to 2,673 in 1981. Peasants in most areas began to become prosperous.

Industrial production has developed to some extent in the readjustment of the economy. In spite of inadequate energy resources and production quotas for enterprises, the province achieved 13.39 billion yuan of industrial output value in 1981, up 0.98 percent over the previous year. People's livelihood has been improved. The 1981 wage bill for workers and staff employed in units owned by the people and collectively owned units throughout the province increased 8 percent over the previous year. The annual wages of each worker and staff averaged 775 yuan, an increase of 1.6 percent over the previous year. The province provided jobs for 367,000 people through various channels.

The purchasing power of the rural and urban population continued to increase, and more durable consumer goods were owned by them. Sewing machines, bicycles and wristwatches owned by each 100 people increased markedly. Televisions owned by the people increased 360 percent.

At the end of 1981, the savings deposits of the urban and rural population totalled 1.46 billion yuan, topping the 1980 figure by 37.3 percent and setting a record for the province. Housing conditions for the urban and rural population improved to some extent.

The province's economic work has improved this year. Since the beginning of 1982, the province has sown crops in good time and fulfilled the field crop sowing and paddy transplanting tasks according to the plan. New developments have been made in forestry, animal husbandry, sideline occupations and fishery. From January to April, the provincial industrial output value increased 6.5 percent over the corresponding 1981 period. Profits delivered to the state increased 18 percent. The provincial revenue was 8.8 percent over the corresponding 1981 period.

## Socialist Modernization Needs

SK140207 Changchun Jilin Provincial Service in Mandarin 1100 GMT 13 Jun 82

[Excerpt] According to our sources, in his government work report delivered at the fourth session of the fifth provincial people's congress, Deputy Governor Zhang Shiyang pointed out the need to do a better job in building the socialist spiritual civilization.



The report states: To carry out socialist modernization, we should not only build a highly developed material civilization but also a highly developed spiritual civilization. They are closely connected to each other and are inseparable. Only when we simultaneously develop the two civilizations can we guarantee long-term development for economic construction and a socialist orientation for building material civilization. The building of socialist spiritual civilization is a great task of long-term and strategic significance. Government organs at all levels must consider it a major issue and make a success of it.

We must notice that due to Lin Biao and the gang of four's sabotage over a long period of time, the infiltration of foreign reactionary forces and the influence of bourgeois ideas and life style and tendencies such as anarchism, ultra-individualism and bourgeois liberalism still exist. Obscene paintings and books and decadent songs in our society have not been eliminated. All these phenomena are seriously polluting social practice, corrupting the cadre contingent, poisoning the people's spirit and obstructing the four modernizations. Therefore, it is imperative to build the spiritual civilization.

The report states: Mastering ideological education is the central link in building the spiritual civilization. We should mobilize all forces of our society, use all mass media and adopt different means according to different targets to conduct communist idea and ethics education in a thorough and protracted manner and carry out the ideological education of cherishing the motherland, the party and socialism in an effort to solve problems in political ideas and ethics in our society.

#### Report on Economic Crime

SK150500 Changchun Jilin Provincial Service in Mandarin 1100 GMT 14 Jun 82

[Excerpts] According to our sources, in his government work report delivered at the fourth session of the Fifth Jilin Provincial People's Congress, Deputy Governor Zhang Shiyong urged the people's governments at all levels to carry the struggle against serious economic crimes through to the end and to do a good job in consolidating public security to ensure smooth progress in the program for achieving the four modernizations.

The report stated: Since 1982 the people's governments at all levels throughout the province have earnestly waged the struggle under the leadership of party committees at all levels. Up to the end of May the province has initially exposed a number of serious economic crimes and has educated the broad masses of cadres and the people in dealing blows at key criminals by holding open trials, resulting in initial achievements for the struggle.

Judging from the problems discovered in the cases throughout the province, they are more serious than those which occurred during the 1952 movement against the three evils -- corruption, waste and bureaucracy within the party, government, army and mass organizations. Therefore, efforts should be made to remind the broad masses of cadres and the people to clearly understand that a struggle against serious economic crimes is an important manifestation of class struggle developed in the economic sector of the new historical period in Chinese socialist society. The struggle is aimed at upholding communist purity, blocking corruption and deterioration and safeguarding the socialist system. It has a vital bearing on the success and failure of China's program to achieve socialist modernization and on the rise and fall of our party and country.

In referring to the question of successfully consolidating public security, the report stated: Over the past year political and judicial organs throughout the province have done a great deal of work in maintaining social order and protecting the safety of the people's lives and property and have scored certain achievements. However, it is noted that the public security status throughout the province has not totally taken a turn for the better. Criminal activities are still rampant in some areas where criminals are swollen with arrogance. We must adopt effective measures to deal powerful blows at them.

The report stated: In doing a good job in maintaining social order, in addition to resolutely dealing blows at various crimes, it is necessary to organize forces of various circles to work out ways in ideology, politics, economy, administration and law to vigorously consolidate public security in a comprehensive manner. To enhance educational work among youths is a key link for successfully consolidating social order. We must show concern for sound growth of youths in every field. Stress in consolidating social order should be laid on doing a good job in urban work. A good job should be also done in rural public security work.

The report demanded that further efforts be made in conducting education on the legal system among the people. At present, a good job should be done in organizing the people to disseminate and discuss well the draft of the PRC's revised constitution.

#### Second Day's Plenum

SK130450 Changchun Jilin Provincial Service in Mandarin 1100 GMT 12 Jun 82

[Text] According to our sources, the fourth session of the fifth provincial people's congress held its second plenum this morning. The people's deputies heard a report by (He Wentao), chairman of the provincial planning commission, on draft plans for Jilin Province's economic and social development in 1982 and a report by (Guo Hongxia), deputy director of the provincial financial office, on Jilin province's 1981 financial accounts and 1982 budget.

The executive chairmen of today's plenum were He Youfa, Yu Lin, Liu Cikai, Zhang Kaijing, (Ma Yuehai) and (Xu Shoupeng). Liu Cikai, vice chairman of the standing committee of the provincial people's congress, presided over today's plenum.

In his report, Chairman (He Wentao) pointed out: As a result of initial readjustment, our national economy has entered a phase of steady development. In 1981, under the leadership of the CCP Central Committee, the State Council and the provincial CCP Committee, the people of all nationalities in our province firmly implemented the principles and policies adopted since the 3d Plenary Session of the 11th CCP Central committee, enacted the central principle of readjusting the economy and stabilizing the political situation and scored relatively good achievements. However, we must also notice that there are some problems in economic development which need immediate attention. These problems should be gradually solved by adopting effective measures while making arrangements for the 1982 plan and long-term plans.

In his report, Chairman (He Wentao) specifically explained the tasks and main targets of our province's plan for 1982's economic and social development and set forth 10 measures for fulfilling and overfulfilling the plan.

Deputy Director (Guo Hongxia) said in his report: Judging from the financial situation in 1981, the implementation of our spending plan has been relatively normal, but our income plan has serious problems. If we inspect our work, we will find that waste is serious, financial management is weak and there are problems in the distribution of financial resources. From now on, we should conscientiously sum up our experiences and lessons and strive to do a good job in the revenue sector.

After explaining the arrangements for our province's 1982 budget, he pointed out: It is very difficult to achieve a balance between our income and expenditures this year. But our province has great potential in increasing income and reducing expenditures and has many conditions conducive to balancing income and expenditures. So long as we brace up, work diligently and make full use of our favorable conditions, it is not impossible to achieve balance between our income and expenditures this year.

Participants at the fourth plenary session of the fourth provincial CPPCC Committee attended today's plenum. Also present at today's plenum were responsible persons of the provincial higher people's court, the provincial procuratorate, departments under the provincial people's government, municipal and prefectural people's congress' standing committees, prefectural administrative offices and country and district people's congress' standing committees.

#### JILIN CCP OFFICIAL DIES; LEADERS ATTEND FUNERAL

SK160250 Changchun Jilin Provincial Service in Mandarin 2200 GMT 15 Jun 82

[Text] According to JILIN RIBAO, Comrade (Wang Ziming), deputy secretary-general of the Jilin Provincial CCP Committee and member of the provincial CPPCC Standing Committee, died of illness in Changchun on 11 June 1982. He was 64 years old. His native place was Laishui County, Hebei Province. He joined the Chinese Communist Party in January 1939 and the Chinese revolution in June of the same year.

During his over-40-year revolutionary struggle, Comrade (Wang Ziming) was constantly faithful to Marxism, Leninism and Mao Zedong Thought and resolutely implemented the party's line, principles and policies. He was a model party member and a faithful fighter for the proletarian class. His proletarian spirit and work style deserve to be used as an example forever.

After his death, his wife, (Zhang Shiyang), and his children requested of the provincial CCP committee that, in deference to his wishes, all unnecessary formalities be dispensed with in making his funeral arrangements. Leading comrades of the provincial CCP committee agreed with the request of his relatives and highly praised their revolutionary spirit.

Leading comrades, including Qiang Xiaochu, Wang Daren, Zhang Gensheng, Li Diping, Yu Ke and Song Jiehan, visited him in the hospital during his critical illness. Following his death, paying last respects to his remains were leading comrades from the provincial CCP committee, the provincial people's congress, the provincial people's government, the provincial CPPCC committee and provincial military district, including (Zhao Xiu), He Youfa, Li Diping, Yu Lin, Yu Ke, Zhang Shiyang, (Liu Jingzhi) and Li Youwen, as well as responsible comrades from departments of provincial level organs, official cadres, representatives of workers and his friends.

#### BRIEFS

HEILONGJIANG INTELLECTUAL POLICY INVESTIGATION -- Party committees at all levels in Heilongjiang Province are conscientiously investigating the implementation of policies towards intellectuals. In the past month or so, over 500 investigation groups consisting of 2,000 persons have been assigned to conduct the investigation. The emphasis of the investigation is on intellectuals of higher education and middle-aged back-bone professionals. Some intellectuals who used to work in positions where they could not bring into play their knowledge and proficiency have been transferred to other posts. Some intellectuals who did not have a decent place to live have also been arranged new houses. The provincial CCP committee has attached great importance to the investigation and assigned Li Jianbai, secretary of the provincial CCP committee, to preside over the investigation. In the past few days, the provincial CCP committee held 3 forums of intellectuals of different categories from 60 units. Li Lian, second secretary of the provincial CCP committee, attended the forums. [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 28 May 82 SK]

CORRECTION TO REPORT ON NINGXIA LIVING STANDARD

The following correction should be made to the item headlined "NINGXIA RIBAO Reports Improved Living Standard," published in the Northwest Region section of the 10 June China DAILY REPORT on page T 2:

On page T 3, in the last paragraph, line two should read: "...construction amounted to 168.19 million yuan (the..., " adding "million."

SHAANXI REPORT ON IDEOLOGICAL EDUCATION

HK140831 Xian SHAANXI RIBAO in Chinese 4 Jun 82 p 1

[Report: "Provincial CCP Committee Propaganda Department Stresses Stepping Up Education in Communist Ideology and Morality While Building Socialist Spiritual Civilization"]

[Text] From 26 May to 1 June the Shaanxi Provincial CCP Committee Propaganda Department held a meeting for heads of the propaganda departments of the CCP committees at the pre-federal and municipal levels, and responsible comrades in charge of propaganda work of the departments concerned directly under the province. The meeting conveyed the spirit of the forum jointly sponsored by the CCP Central Committee Propaganda Department and the CYL Central Committee for a summation of "all-people decorum and courtesy month" and the spirit of the meeting for exchanging experiences in propaganda work on the industrial and economic fronts as well as the forum on theoretical and educational work under the auspices of the CCP Central Committee Propaganda Department. The participants at the meeting studied relevant speeches made by responsible comrades of the central authorities and held discussions on the building of socialist spiritual civilization and the problems arising on the present propaganda front. Comrade Chen Yuanfang, secretary of the provincial CCP committee and Deputy Secretary Comrade Bai Wenhua spoke at the closing ceremony of the meeting.

The meeting held: In various tasks on the present ideological front, efforts should be focused on upholding the four basic principles, adhering to the communist party purity, resisting and making a break with the corrosive influences of capitalist ideas, remnants of feudal ideas and of other corrupt ideas so as to fill party members, cadres and the masses of people with revolutionary enthusiasm and vigor and to step up the building of the socialist material and spiritual civilizations. This problem has now become much more prominent and important. It is because of the damages caused by the Lin Biao and Jiang Qing counterrevolutionary cliques during the 10 years of internal disorder that the nature of the working class -- pioneers of our party -- and the communist purity of our party members have been greatly impaired. Apart from that, after the introduction of the correct policy of opening up to the outside world and enlivening the domestic economy, we have been facing a serious struggle between corrosive elements of capitalist ideology and anticorrosive elements of socialist ideology. The class enemies, internal and external, are now resorting to different forms and means to sabotage our socialist modernization and corrupt our ranks. The current crackdown on the serious criminal economic activities is a prime manifestation of class struggle in the economic field under the new historical circumstances. We must be fully aware of the gravity of the struggle, always remain sober; correctly estimate the present situation of class struggle and properly handle the problems arising from the struggle. We must persist in the struggle between two lines. Now, we must pay special attention to checking the bourgeois liberalization tendencies from the right in the political, economic and ideological fields, while continuing to sweep away the pernicious vestige of Lin Biao, Jiang Qing and their followers and the influence of the "leftist" ideology. We must also be resolved to fight against the profit-before-everything mentality of the bourgeoisie and the survivals of feudal ideology and other decadent ideas.



The meeting pointed out: Around the central task of preserving the communist purity of our party, efforts must be concentrated on the following areas of work on the propaganda front in the second half of this year:

1. The activities of the "five stresses and four beauties must be penetratingly and persistently carried out. Concerning this, we must vigorously work for strengthening education in communist ideology and morality and cultivating people who cherish good ideals and are imbued with good moral, culture and discipline.
2. Political and ideological work must be reinforced in the enterprises such as industry, transport, communications, and finance and trade, in particular stressing a strong conviction to young staff and workers for the party and the socialist system and enhancing their sense of responsibility of being masters of the country.
3. Political and ideological work must also be reinforced in the rural areas, inculcating in peasants correct handling of the common interests between the state, the collective and the individual and putting an immediate stop to all sorts of evils such as feudal superstitious activities and gambling.
4. Publicity and education must be strengthened in rectifying the party work style. We must teach the CCP members and state functionaries to fill themselves with the party spirit, to strictly abide by party discipline and state laws and to enhance their consciousness in combating corrosive influences while dealing blows at serious economic criminals and putting right the unhealthy trends of "three recruitings, three changings and one building" [concurrently recruiting laborers, cadres and students, changing household registration from agricultural to nonagricultural, changing the status of rural youths to educated youths, and changing the status of temporary and contract workers and teachers in schools run by local people to permanent state workers and building private houses by using one's power].
5. We must bring the role of advanced models into full play, extensively and penetratingly carry out massive activities of emulating the advanced as well as vigorously encourage healthy trends and check unhealthy ones.
6. It is necessary to stick to the orientation of making literature and art serve the people and socialism and to earnestly improve the work in the literary and artistic fields so as to play a good role in the building of the socialist spiritual civilization. Meanwhile, it is necessary to adopt strong measures to resist the corrosive influences of the capitalist culture.
7. It is necessary to do well in the study and discussions of the draft of the revised PRC constitution and to arrange for cadres to continue their study of economic theory.
8. It is necessary to do a good job of ideological work in the streamlining of all organs and in the preparatory work of vocational training of cadres.

The meeting stressed: Propaganda departments at all levels should rouse to action and fully play their positive and creative roles in work under the leadership of the CCP committees at the corresponding levels. They should progressively change the feeble and slack state on the ideological front by contending for the initiative and not landing themselves in a passive position. They should make timely study and analysis of all sorts of erroneous ideological trends and unhealthy tendencies emerging in the party and society and solve these problems without delay so as to stop them in their embryonic state. Propaganda departments at all levels should persistently publicize and imbue the masses of people with communist ideas as well as incessantly raise their ideological consciousness and morality level. The focus of the work should be made on educating party members, cadres and especially the leading cadres at all levels. Discipline should be tightened organizationally and politically in the propaganda departments. Instructions from the central authorities or the provincial CCP committee should be carried out without fail. In implementing these instructions, no one must deviate and attitudes must be

positive. In the course of work, efforts should be made at making study and investigation, stressing main points and knowing how to effect a breakthrough on one individual problem. Once the problem is ready to be tackled, it is necessary to grasp it firmly until it is completely solved.

#### XINJIANG'S DAWAMAT ON PRODUCTION CORPS REVIVAL

HK110243 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 10 Jun 82

[Radio script by Tomur Dawamat, secretary of Xinjiang Regional CCP Committee and chairman of regional people's congress standing committee: "Strengthen Unity and Work Together To Build a Rich and Civilized New Socialist Xinjiang"]

[Excerpts] The Xinjiang production and construction corps has been formally revived under the earnest concern of the CCP Central Committee. This is a major affair in the region's socialist modernization drive.

Since its establishment, the corps has followed the instructions of the Central Committee and Chairman Mao, reclaimed wasteland and guarded the border and acted as both a military and an agricultural force. It is a major force in defending the border and a combat force that is never demobilized. The corps has made major contributions in smashing hegemonist subversion and sabotage and defending the border.

The corps has been vigorously supported by the people of all nationalities in Xinjiang in the course of its establishment and development. The corps has also vigorously supported and assisted local construction undertakings. The cadres and masses and the military reclamation fighters in Xinjiang are close brothers in building and defending the borders and fighting together.

Following its revival, we believe that the cadres and workers of the production and construction corps will always remember the concern of the Central Committee and the hopes of the people of all nationalities, continue to carry forward the glorious revolutionary traditions, play their role as a production, combat and work force, work hard to develop production and make new contributions to achieving big progress in construction and all work in Xinjiang. We believe they will certainly be able to continue to implement the party's nationality policy, do more good deeds for the people of all nationalities, further consolidate and develop the relations of equality, unity and mutual assistance between all nationalities and be models in unity of nationalities.

The cadres and workers, peasants and herdsmen of all prefectures, municipalities, counties, communes and farms must always support the work and building of the corps, strengthen good-neighbor unity with the military reclamation fighters, and work in concert in shouldering the together glorious task of building and defending the border region. They should strive together to bring about great progress in construction and all other work in the region and to build a rich and civilized new socialist Xinjiang.

SUN YUN-HSUAN DISCUSSES REUNIFICATION ISSUE

OW151231 Taipei CHINA POST in English 11 Jun 82 p 4

[Text] Premier Sun Yun-hsuan's remarks at the reception honoring participants in the 11th Sino-American conference on mainland China on June 10 in Taipei.

Ladies and gentlemen: The 11th Sino-American conference on mainland China is both important and meaningful. Chinese and foreign scholars have gathered to ascertain Chinese mainland realities through the exchange of knowledge acquired in the course of their studies. We have special admiration and respect for friends from various foreign countries who have made the tiring trip here in quest of learning. On behalf of the government and people of the Republic of China, I want to take advantage of this opportunity to extend our warmest welcome and our best wishes.

In three days of meetings, you have engaged in wide-ranging and penetrating discussions of the Chinese Communists' Party, political, economic, social, cultural and foreign affairs. The incisive views you have expressed during these sessions will assuredly deepen the free world's understanding of problems on the Chinese mainland.

#### The True Wishes of the Chinese

I would like to stress that studies on mainland China should be focused on understanding of the true wishes of the Chinese people and the overall trend of China's future development. In past decades, Chinese and Western scholars have made considerable contributions to the study of mainland China problems. The emphasis of their research, however, seems to have centered primarily on the investigation of the structure, behavior and short-term changes of the Chinese Communist regime. Consequently, the findings tend to reflect their observation of the outward phenomena at a certain stage and thus fall short of penetrating the more fundamental and underlying causes in the momentum of change in modern China.

#### A Change in Direction in Mainland Studies

In my humble opinion, if we are going to increase the explanatory, heuristic and predictive power of the research findings in China studies, we must elevate the level of analysis and broaden the scope of observation. In other words, we have to transform China studies from a field of study of the Chinese Communist regime alone to one dealing with the direction and processes of the modernization of the Chinese nation as a whole. If we can agree on this, then we may want to shift our attention from the study of the conduct of Chinese Communist leaders to that of the response of Chinese culture and society to the communist system. Only by following this path can we unravel the true nature of evolving Chinese problems and find the key to a deeper understanding of the common inner aspirations of the Chinese people.

#### The "China Issue," Not the "Taiwan Issue"

Influenced by the Chinese Communist regime, the people of the world have made free China an issue -- the so-called "Taiwan issue." This concept is as mistaken as putting the cart before the horse. The Republic of China on Taiwan has achieved progress, prosperity and stability; its people enjoy a modern life of freedom and happiness. The Republic of China, moreover, is a constructive member of the international community. It therefore does not constitute an issue. We believe the real issue is that of mainland China -- the issue of whether the people there should forever continue to live under communist rule.

To the free world, the common issue we face is the "China issue" -- the issue of preference for a strong and hostile Communist China or a peace-loving non-communist China. If a non-communist China is to be preferred, the free world should obviously allow the people on the two sides of the Taiwan Straits to make their own choice. In other words, we should leave the problem of China's future to the decisions of the Chinese people as a whole.

Regarding "Chinese reunification," the two sides have advanced different views. Free China calls for Chinese reunification under the three principles of the people, whereas the Chinese Communist regime has advanced through "Marshal" Yeh Chien-ying a nine-point proposal for so-called peaceful reunification which is actually intended to communize free China. The current question therefore remains that of whether a "democratic and free China" or a "communist and despotic China" can best fulfill the aspirations of the Chinese people and the interests of the free world. At this point I should like to make some explanations and request your comment:

#### Peiping's So-Called Peace Proposal

##### 1. The nine-point "peace proposal" of the Chinese Communist regime:

Since establishing diplomatic ties with the United States, the Chinese Communists have continuously clamored for so-called "peace" and "unification" in an attempt to implement its conspiracy to isolate us by pulling the wool over the eyes of the free world.

Judging the Chinese Communists by their past conduct, we are well aware that they will turn to "peace talk" if they are unable to attain their objective by force. They will compel an opponent to agree to peace by threatening war or by alternating peace and war if their "peace talk" call is ignored.

The Chinese Communists' "peace talk" proposals have attracted the attention of the international community in recent years. We have always understood that this is a phony image of peace devised by the Chinese Communists and a gimmick to deceive the people of the free world. This is because all such proposals have two accompanying preconditions: First, the government of the Republic of China is to be considered a "provincial government" under the jurisdiction of the Chinese Communist regime; second, the invasion of Taiwan by force is not ruled out if peace talks fail. In other words, this so-called peace proposal is actually an attempt to annex the Republic of China on Taiwan. We have learned many traumatic lessons and will not again take the Chinese Communists' words lightly.

In September, 1981, "Marshal" Yeh Chien-ying made his nine-point "peace talk" proposal on behalf of the Chinese Communist regime, calling on the Kuomintang of China to talk with the Chinese Communist Party as equals. Yeh said the Chinese Communists would allow Taiwan (under the rule of the Republic of China) to maintain its military, economic and social autonomy. But almost in the same breath, the Chinese Communists threatened to "downgrade diplomatic relations" with the United States if it continued selling arms to the Republic of China on Taiwan. The Chinese Communists also demanded that countries with which they maintain diplomatic ties not have representative agencies in Taiwan. Recently the Chinese Communists disrupted international athletic activities by refusing to send a team to the fifth world women's softball championships in Taipei and by trying to dissuade other countries from participating. All of these developments provide evidence that the Chinese Communists' "peace talk" proposal and their clamor for "three links" and "four exchanges" are means of deception in the attempt to communize free China.

#### Peiping's Attempt To Deceive U.S.

"Peace talk" is another form of communist struggle. The Chinese Communists have raised the absurd view that "the supply of weapons to the Republic of China on Taiwan will strengthen its stand against peace talk."



This is an attempt to deceive the United States. In the words of Sun Tzu, a famed Chinese strategist of olden times, this is an effort "to defeat the military force of the other side without fighting a battle."

On January 20, 1961, in his inaugural speech, President John F. Kennedy said the United States would never fear to negotiate but would never negotiate out of fear. President Reagan said in his State of the Union Address in 1982 that America will negotiate only from a position of strength. The eminent views of these two American presidents clearly express the position and attitude that should be adopted by a responsible government.

We hope sincerely that the free world and the United States especially will recognize the Chinese Communist regime's conspiracy of attempting to disarm free China and communize its people through the employment of diplomatic pressure. The free world should never be lured by the Chinese Communists bait into making further concessions.

#### ROC's Goals

2. Free China's goal: In keeping with the aspirations of the Chinese at home and abroad, the Republic of China on Taiwan has proposed to unify China on the basis of the doctrines and advocacies of Dr. Sun Yat-sen. Developments on the two sides of the Taiwan Straits during the past 30 odd years have proved that Dr. Sun Yat-sen's three principles of the people are suited to the national development of China and can solve the "China problem" and assure the freedom, affluence and happiness of the Chinese people.

I should like to explain briefly the major points of the three principles of the people. The principle of nationalism seeks to establish a country "of the people," the principle of democracy is intended to establish a country ruled "by the people," and the principle of the people's livelihood is aimed at establishing a country "for the people."

The results of our implementation of the three principles of the people on Taiwan, Penghu, Kinmen and Matsu have been recognized throughout the world in past years. Even the leadership of the Chinese Communist regime has been compelled to admit openly that mainland China cannot catch up with Taiwan economically. The Chinese Communists have tacitly followed the successful experience of the Republic of China in seeking national development. They have imitated our free export processing zones by opening so-called "special economic zones." They have introduced foreign capital to help enlarge exports and readjusted the order of economic construction by giving first priority to agriculture. They recently tried again to adjust the economic structure. While continuing to recognize "ownership by the whole people" and "collective ownership," they began in a small way to accept the "individual economy" of urban and rural workers. All of these changes are signs that the consistently dogmatic Chinese Communist regime has been compelled to bow to reality and make an aboutface after a series of setbacks.

#### Dr. Sun Yat-sen's Principles

In advocating the reunification of China on the basis of the three principles of the people, we are not trying to embarrass the Chinese Communist regime. As early as September 1937, soon after outbreak of the Sino-Japanese war, the Chinese Communists announced: "Dr. Sun Yat-sen's three principles of the people are needed today in China, and this party is willing to try to help carry them out." In recent years, the Chinese Communists have often expressed their respect for Dr. Sun Yat-sen. On October 10, 1981, the anniversary of the Wuchang revolution of 1911 that gave birth to the Republic of China, the Chinese Communist regime paid tribute to the great man who created the first democratic country in Asia. In the recently promulgated fifth draft constitution, the Chinese Communists affirmed Dr. Sun Yat-sen's contribution to establishment of the Republic of China. They have thus recognized the superiority of the three principles of the people. All freedom-loving Chinese sincerely hope that the Chinese Communists will truly "return to" and "identify with" Dr. Sun Yat-sen's three principles of the people and that they will take earnest action to implement the three principles.

Ladies and gentlemen, the reunification of China is the common aspiration of the Chinese people. For the last more than 30 years, the government and people of the Republic of China have worked to reunify China and restore freedom to the Chinese people on the mainland.

The reunification of China is a fateful topic. We hope the Chinese people on both sides of the Taiwan Straits will ponder carefully and decide which political system will bring them dignity, glory, freedom and happiness.

#### How China Should Be Reunified

We believe that Chinese reunification should be based on the free will of the Chinese people as a whole. We hope the Chinese Communists will not continue to beat around the bush and engage in the plotting of ruses. We also hope they will make no more gestures to confuse the people of the world. Instead, they should give up the "four fundamental principles" as quickly as possible and take steps to change their way of life. If the political, economic, social and cultural gaps between the Chinese mainland and free China continue to narrow, the conditions for peaceful reunification can gradually mature. The obstacles to reunification will be reduced naturally with the passage of time.

#### Scholars' Counsel Requested

Ladies and gentlemen, academic study is a serious business. Han Yu, a Chinese scholar of the T'ang Dynasty, said "words must bear enlightening messages." The Bible says "...truth will make you free." Both quotations suggest that the quest for knowledge should not cease with the mere satisfaction of curiosity, but should apply knowledge to the furtherance of mankind's well-being. I sincerely hope that through the profound study, analysis and deliberation of famed scholars like you, an in-depth understanding of the reality of the observations will shed light on the right direction for China's further development. In conclusion, I want to express the hope that during your stay in the Republic of China you will give us the benefit of your wise counsel on our administrative affairs as well as of your deliberations on the problems of mainland China. My colleagues and I will be delighted to accept your advice.

I wish you good health, happiness and prosperity. Thank you.

#### Footnotes:

The "three links" refer to mails, trade and air and shipping services. The Chinese Communists have asked that these links be set up as soon as possible. They first made this offer on New Year's Day, 1979.

The "four exchanges" refer to establishment of exchange between relatives and tourists, academic groups, cultural groups and sports representatives.

Sun Tzu or Sun Wu (around 500 B.C.) was a native of Chi in the period of spring and autumn annals. He was an outstanding strategist. King Ho Lu of Wu put him in charge of armies to attack Chu in the west and neutralize Chi and Chin in the north so Wu could dominate her three sister states. He wrote Sun Tzu -- "The Art of War," a classic of Chinese military strategy.

The "four fundamental principles" of the Chinese Communists regime are (1) always stick to the socialist road; (2) always retain Communist Party leadership; (3) follow through with the dictatorship of the proletariat; and (4) follow the thoughts of Marx, Lenin and Mao Tse-tung.

Book of John, chapter 8, verse 32; "You will know the truth, and the truth will make you free."

TAIWAN PREMIER'S REUNIFICATION REMARKS EXAMINED

HK160359 Hong Kong HSIN WAN PAO in Chinese 15 Jun 82 p 1

["New Talk" column: "Sun Yun-hsuan Talks About Peaceful Reunification"]

[Text] Sun Yun-hsuan, "President of the Executive Yuan" of Taiwan, spoke last week about peaceful reunification. The Taiwan press has reported reactions to this in recent days, and the CENTRAL NEWS AGENCY issued a dispatch from Hong Kong saying that the majority of Chinese there welcomed his words.

Reactions to this talk of Sun Yun-hsuan differ from previous occasions. It has been given a greater welcome than any previous talk by a Kuomintang leader, and this is because there are changes, his approach lays more stress on reality, his language is more moderate and he talked more like a Chinese.

Sun Yun-hsuan spoke at a study meeting; his speech was entitled "The China Issue and Chinese Reunification." He said that "China's reunification is the common aspiration of all Chinese in the nation," and "the question of what course China should follow should be reserved for the whole body of the Chinese people to solve." In saying this, he has precisely taken the stand of the Chinese people, and hence his words are welcome. Beijing has consistently and repeatedly reiterated this common aspiration of the Chinese compatriots, and now the upper stratum in Taipei has uttered the same words, thus attaining unanimity on the great premise of reunification.

Apart from affirming reunification, it is also necessary to work hard to pursue peaceful reunification. In addition to the draft of Sun Yun-hsuan's speech, Taiwan's publicity media have reported other words he spoke: When the political, economic, social and cultural differences between the mainland and Taiwan continually narrow, the conditions for the peaceful reunification of China will gradually ripen.

The change from the previous diehard anticommunism and rejection of peace to affirmation of reunification, and peaceful reunification, demonstrates that, under Beijing's powerful urging and efforts, the Taiwan authorities are retreating step by step; from the viewpoint of the Chinese people's stand, the Taiwan authorities' understanding is progressing step by step and can gradually join the mainstream of unanimity with the whole Chinese nation. Although the distance is still great, history is always evolving, and the facts prove that the Taiwan authorities too can and will change.

The conditions put forward by Sun Yun-hsuan for peaceful reunification hold that it is first necessary to narrow the differences between the mainland and Taiwan in all aspects. Actually, it is unjustifiable to cite political, economic, social, cultural and other differences as reasons for rejecting reunification. There can be differences between different areas of a country, and this is the case in many countries in the world. In particular still more regional differences can coexist in China, a large nation with a huge population, where progress can be promoted through exchanges. Beijing's nine-point peace talks proposal agrees to Taiwan's maintaining its status quo in many respects, thus precisely recognizing [chengren] that the differences can continue to exist. Reunification is the righteous cause of the nation, and internal differences should certainly not constitute an obstacle.

However, since Sun Yun-hsuan has come up with conditions, there is no harm in regarding them as a demand for an exorbitant price for advancing toward negotiations. Sun Yun-hsuan wants to narrow the differences between the mainland and Taiwan; how is this to be done, and to what degree is to be taken? If the Taiwan authorities are sincerely bent on peaceful reunification, these questions will have to be solved by direct negotiations with Beijing, and exchanges between Taiwan and the mainland will have to be opened up. How can the differences be narrowed if peace talks and the effort to open up communications in three ways are rejected? What peaceful reunification needs is seeking common ground while reserving differences, not putting differences above unity.

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JUNE 16, 1982



